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UNRRA - NARRATIVE REPORTS

Vol. I

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July - AUG. 1946

NARRATIVE REPORTS

vol. I

1/2

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Narrative report for August

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Let's Shipping

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

ITALIAN MISSION

Chief of Mission's Narrative Report for the Month of

August 1946

CONTENTS

This report consists of a brief summary of the Italian Mission's major activities during the month of August 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. KEENE,
Chief of Italian Mission.

Distribution:

Allied Commission,
Brazilian Embassy,
British Embassy,
Chinese Embassy,
French Embassy,
Yugoslav Delegation,
Russian Embassy,

Albania,
Austria,
Cairo,
Caserta,
Greece,
Yugoslavia,
Italy (All Divisions, Camps

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and Regional Offices).
Czechoslovakia,
Germany.

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A. INTRODUCTION.

1. The Chief of Mission spent two weeks of August in Geneva and one in the Regions of Northern Italy. Trips of this kind are said to be valuable for perspective. It must be admitted, however, that the results of Geneva were, by and large, not encouraging to one who is concerned about the fate of Italy in 1947. We received confirmation of what we had already taken for granted: that there would be no more money for UNRRA. There was also great value in the assurance that shipments would be continued after the end of the year until the Program was completed - although there was an ominous suggestion that lack of funds would probably result in a cut. Kind words for UNRRA and its personnel were much more plentiful than last year. plentiful, also, were resolutions - mostly recommendations for other agencies (some non-existent) to take over the burden carried by UNRRA. What was sharply missing was a realistic recognition of the urgency of decisions that would result in loans or grants to Italy that would keep essential imports coming after UNRRA funds are finished. Some of the forensics of the conference and the debates about the minutiae of the wording of resolutions seem pathetically unreal in the light of the situation Italy will face next winter and spring.

2. The discussions about the displaced persons were in a noticeably higher plane than last year. There was a deeper recognition both of the human tragedy involved and of the problems of relationship and education that have to be solved. But the needs of 800,000 people, however urgent, are but a small sector of the European economic problem. One was uncomfortably aware that this essential lack of perspective in the whole conference was largely a reflection of a still vaster and grimmer confusion in Paris.

3. Even the atmosphere of Geneva did not prepare us adequately for the mood we found in Italy upon our return. Each day toward the latter part of August brought more bad news for Italy in the form of additional claims for reparations, which kept mounting until the headlines reported figures of 26,000 million dollars - roughly equivalent to the total national wealth of Italy. The resignation of Corbino, Minister of Finance, and the drop in the Lire rate to more than 500 to the dollar, tell their own story. The Italian Press, never known for its temperateness, flatly declared that Italy had been betrayed by the Allies. The effect on UNRRA by indirection was definitely unfavorable: journalists who had been most friendly and appreciative, began to look for hidden motives in a manner that had been common in our early days, but had almost entirely disappeared. This mood will probably soften soon after the final decisions, even though the Pence terms are hard; but this Mission must face the fact that its public relations in Italy are going to be much more difficult in the coming months than in the past.

THE FOOD SITUATION.

4. Food crises have been happily absent during the month. The rations are regular and have reached nearly a thousand calories. In addition, about 1,800,000 children have been fed during the month, largely in summer colonies from which they are returning as brown and healthy advertisements of a very popular part of the UNRRA program.

5. The immediate situation of food supplies is good, with the grain collections having reached about 2,000,000 tons of the goal of 2,350,000. This collection was not achieved easily. Two communities indulged in outbreaks which resulted in the loss of some dozens of lives. The

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6. Some parts of the Government still have difficulty in grasping the fact that the world supply of cereals is still short and that not even adequate credits will ensure that they will get the grain imports that they need. This Mission encouraged several important members of the Government to come to Geneva, where they shared in long discussions with the UNRRA staff from Headquarters. The results of these discussions have been shown in the handling of current problems of grain supply; but we must still keep hammering on such points as that the rationing should not be reduced, that increases in rations must not be promised until enough grain is in sight to carry the present ration to the next harvest, and that the Ministry of Food must be prepared to use a combination of all edible cereals.

7. Valuable work was done at Geneva in minimizing the amount of unwanted foods that Italy must take from existing UNRRA supplies; also plans were developed for supplying 750,000 tons of wheat on UNRRA account plus another 100,000 tons in exchange for 50,000 tons of rice. There are still needed, however, another 1,000,000 tons of grain before the next harvest, to be bought on Italian account - and neither the allocations nor the funds are in sight.

8. The policy outlined above was strongly supported with additional valuable suggestions by the Distribution Committee under the leadership of Miss Shufeldt. The suggestions of this committee on the Food Supply as well as other aspects of distribution will be used as a basis for further discussions with the Government.

COAL.

9. The receipt of about 900,000 tons of coal during August is the best news Italian industry has had for months. This will mean that 600,000 tons can be allocated, and 300,000 tons added to the reserves. Silesian coal is coming in for the first time, with arrangements for 15,000 tons to arrive in September.

10. These heavy arrivals of coal have taxed Italy's internal transport. Railway cars have been scarcer than for months. All sorts of special demands have been made on the railroads: for example, from the Military for moving stock-piles; from the passenger service for using freight cars to move children to and from summer colonies. To add to the difficulties, the rate of repair of cars dropped in recent months as an inevitable result of previous coal shortages. Consequently, we recently found ourselves in a vicious circle of having 60,000 tons of coal at Venice, the movement of which was delayed for lack of cars, while the repair of cars was being delayed for the lack of coal.

TEXTILES.

11. The basic plans for this program have been agreed upon and contracts for manufacturing the first 8,000 tons of cotton are being let. The general plan is to distribute perhaps one-third of the products free and to sell the remainder at low cost to low-income groups through cooperatives or other organized channels. The money for starting manufacture has been lent from the Lire Fund, to be repaid later from the goods sold. If this plan is successful, it will be a major step to end the shortage of utility textiles, which has been a chronic difficulty since the end of the War. It is also provided that the layette program, which has been held up since

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HOUSING PROGRAM.

12. This program to build 1,200 new houses and repair 20,000 as a contribution toward getting the Italian homeless out of barracks and even caves, is beginning to gain momentum. About 7,000 rooms were repaired that August. The whole program is being drastically reviewed to make sure that it is really directed toward its original purpose: to get Italian refugees out of barracks, where they are a continuing burden to the State, and to get them back on their land or to places where they can find work. Among the bottlenecks that we are removing are:

- (a) Shortage of transport - by having our emergency pool of 200 trucks.
- (b) Using Italian garages to make repairs on contract where UNRRA facilities are inadequate.
- (c) To make loans or gifts to homeless families unable to pay for skilled labor needed to build their homes.

Above everything, we are pressing for speed as the building season nears its end. We are trying to get rid of the chronic tendency in UNRRA, as well as in the Government, to "meet" a problem by writing a letter to somebody and then settling down into a comfortable routine while waiting a few weeks for the answer.

THE PRICE AND LIRE FUND CONTROL COMMITTEES.

13. The work of these two committees has continued to be excellent. Good routines have been set up for fixing prices, and these are now generally being fixed early enough so as to avoid delays in distribution. Much solid work is being done on the auditing of the amounts of lire due for commodities delivered. The Lire Fund should grow rapidly in the next few months. The grave danger is that the loss in value of the Lire as the result of heavy reparations charges may greatly lessen the possibility of Italy's rehabilitation through this source.

14. Incidentally, it is urged that any recommendations from Headquarters for the use of the Lire Fund be made promptly. In general, the policy should be to spend the funds as rapidly as possible without encouraging inflation.

PLANS FOR THE CLOSING OF UNRRA.

15. The staff is busily at work on plans for the phased liquidation of this Mission between now and the middle of 1947. The plans developed by ERO and reviewed at Geneva are generally in line with the needs of the Mission. Modifications that may be required will be suggested in the budgets now being prepared.

REPORTS ON TARGETS FOR AUGUST.

16. (a) To revise operational plans in the light of Geneva decisions

This is being done and will be submitted to ERO by September 28.

(b) Using Italian garages to make repairs on contract where UNRRA facilities are inadequate.

(c) To make loans or gifts to homeless families unable to pay for skilled labor needed to build their homes.

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16. (a) To revise operational plans in the light of Geneva decisions

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(b) Prepare Fourth Quarter Budget

To be in London on September 28.

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

In process, with good progress especially in the Milan area.

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

Operation beginning.

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

In process.

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

Special Committee's report was very valuable. Steps being taken to implement, including assignment of special person in R. & D. to supervise.

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

Draft of first plan has been submitted.

(h) To revise Travel Section in order to care for transients from other Missions.

Problem less important because of ERO decisions to move bulk of personnel by air. Arrangements being made for clearance of airplanes. In the meantime, transients being cleared with reasonable promptness. Steps taken to accelerate and to ensure that transients do not remain unduly long.

TARGETS FOR SEPTEMBER, 1946.

- (a) To complete the fourth quarter budget.
- (b) To prepare phased plan for "run down" of Mission in first half of 1947.
- (c) To work out an agreement with Washington on Procedures for payment of lire charges for cost of discharge of UNRRA ships in Italy.
- (d) To accelerate work on first stage of Housing Program and to draw tentative plan for its extension.
- (e) To continue development plan for clothing distribution and to complete plan for Layette distribution.
- (f) To get operations for mosquito eradication in Sardinia under way including assistance in setup of Italian organization and transfer of vehicles.
- (g) To halve the UNRRA emergency truck fleet and transfer it to CASAS.
- (h) To start work with the Government on plan for use of total Lire Fund.
- (i) To review the supply position in light of announced cut and to prepare revisions for discussion at Washington Supply Con-

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(i) To review the supply position in light of announced cut and to prepare revisions for discussion at Washington Supply Conference in October.
(j) To expedite the production of Operational Analysis papers for ERO series.

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UNRRA's Role in the Italian Economy.

18. It was more apparent than ever this month how great a gap would be left in the Italian economy when UNRRA supplies ceased to arrive. News from the Fifth Council session, interest in which had been accentuated by the Director-General's visit just previously, left no doubt that a great deal of arranging had to be done to keep vital imports coming.

19. There was some encouragement, on the other hand, in the knowledge that the end would not come at the stroke of midnight 31 December, like the closing of a floodgate, but that the flow of supplies, while tapering off quickly after the year's end, would continue nevertheless into the early months of 1947, allowing that much more opportunity for a smooth transition. There was encouragement, too, in the knowledge that the full 425 million dollar program would eventually be shipped. And there was encouragement, finally, in the knowledge that UNRRA's 1946 program was in fact meeting an important part of 1947 needs.

20. The extent of the UNRRA program still to come was emphasized by the fact that at the end of August almost half of the total program of approximately 10 million tons was yet to arrive at Italian shores. August arrivals, the largest yet recorded and very possibly the peak for the whole program, had brought the cumulative total just over the hump. A gross amount of more than 1,150,000 tons (including petroleum products) arrived, the chief increment being over 850,000 tons of coal. This compared with the previous peak load of just about one million tons in April, in which had been included 670,000 tons of coal. The big decrease was in shipments of bread cereals, arrivals of which this month totalled little more than 60,000 tons. With the immediate crisis past in Italy, grain shipments had been temporarily diverted, for the most part, to countries with later harvests.

21. The Mission's biggest problem, now, has become how to get this huge volume of supplies most satisfactorily injected into the Italian economy. To this end, a greater amount than ever of planning and activity (involving an increased number of personnel) is being devoted to seeing that UNRRA goods get distributed swiftly, equitably, and at fair prices. While encouraging the Government always to take more and more of the responsibility for getting this done, the Mission, by more extended observation and reporting, has been putting itself in a better position to see that UNRRA goods are distributed according to UNRRA principles. Of necessity, a large number of Italian-produced and imported commodities are having to follow suit.

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B. RELATIONSHIP WITH THE ITALIAN GOVERNMENT

Supplementary Agreements Negotiated or in Progress

22. A Supplementary Agreement between UNRRA Italian Mission and the Sorveglianza S.A. (Anonymous Society of Supervision) was signed in Rome on 14 August 1946. In accordance with this agreement, Sorveglianza will superintend, on behalf of UNRRA, the distribution in Italian parts of UNRRA bulk oil cargoes coming from overseas for the account of UNRRA Italian Mission.

23. The mutual obligations assumed by the Mennonite Service Union and the UNRRA Italian Mission under the terms of a letter sent by Mr. Keeny to the leader of the Mennonite Service Union will have legal effect only after they have been approved by the Italian Government and the Director General of UNRRA. The agreement concerns the provisions for the Waldensian Valley Project and for welfare, recreation, health and nutrition services to be rendered by the Mennonite Service Union, in collaboration with UNRRA, to Italian Displaced Persons in Italy.

24. An agreement between UNRRA and Organization, Reconstruction and Training is being negotiated.

General Problems of Relationship

25. Most of the activity of the Government has been focused on the Peace Conference during the month of August, and the various members of the Government have frequently been absent from Rome, with the result that settlement of even major internal government problems has been postponed.

26. During the past month, in northern Italy, there have been several disturbances caused by the dismissal of various partisans employed with the police force. This brought about a dissension movement on the part of numerous partisans of the northern regions who demanded from the Government better treatment and salary conditions for all the partisans in Italy. The dispute has been settled, and it is not foreseen that further repercussions will be felt.

27. The Mission was informed that the Norwegian Government decided to extend credits to all European countries assisted by UNRRA, for the purchase of commodities available in Norway. These credits will be in addition to the contributions given by Norway through UNRRA, and free from interest for a period of three years. The offer has been transmitted to the Italian Government for consideration.

28. Mr. Keeny confirmed the decision taken by Director General La Guardia not to agree to use the proceeds of sale of UNRRA goods to subsidize the political price of bread. This position was formally communicated to Prime Minister De Gasperi.

29. The Price Committee held three meetings in which the prices for numerous commodities were fixed.

30. The Lire Fund Control Committee held two meetings during the month, when the following recommendations were made:

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a) Appropriation to the Ministry of the Treasury of 500 million lire, to be used as an advance against the subsidy for indigenous coal to bring the price in line with imported coal.

b) A loan of 1,650 million lire to the Italian Government Delegation for the manufacture and distribution of cotton textiles imported under the UNRRA 1946 program.

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31. There has been a great need of coordination of welfare activities in the Italian Government, and many discussions have been carried on with Government authorities, including the Delegation, on this subject. The new Minister of Post-War Assistance is appointing a committee from within his Ministry to study the subject and to prepare a general proposal for the consideration of the Presidency of the Council of Ministers. He has asked the Deputy Chief of Mission for Relief Services to act as consultant and observer to this committee and is also including a representative of the Italian Delegation.

C. RELATIONSHIP WITH OTHER AGENCIES

32. Derequisition by the Military and requisition by the Italian Government of immovable property required by the Displaced Persons Division for its operations are under negotiation.

D. SUPPLY AND DISTRIBUTION

Requirements

33. At the beginning of the month the problems connected with the UNRRA Food Import Program for the second half of 1946 became acute. As a result of shipments of unprogrammed commodities and some over-shipments of programmed items it became obvious that the most essential item in the Second Half Import Program, i.e. cereals was in danger of not being fulfilled because of lack of funds in the Food Budget. There also appears a danger of further quantities of unwanted items being shipped and of some unprogrammed items, other than wheat, being shipped in excess of the quantity originally requested. What appears to be a satisfactory solution has been reached. First, the food items yet to be shipped will conform to a very large extent to the pattern of the balance of the 1946 program not yet shipped. Second, we are assured that the 750,000 tons of cereals on the original program for the second half of 1946 will be sent, even if procurement and shipping have to be carried out after the 31 December 1946. This will mean that the total Food Budget for the year will go up to 211,200,000 dollars, an increase of 15,500,000 dollars on the former figure.

34. Final revisions were agreed with the Italian Government with respect to the Agricultural Import Program. The major changes were chiefly in the fields of seeds, fertilizers, farm machinery and several other items found to be in excess of Italian requirements.

35. Word has finally been received that Dobbin's sprayers, which are fundamentally necessary to the operation of the Sardinian Malaria Eradication Program, are unprocureable.

36. The two most important arrivals in the chemical field during the month were 4,000 tons of calcined petroleum coke, for the production of carbon electrodes and 100 tons of alcohol for medical use.

37. The first samples of margarine produced from UNRRA-imported copra have been examined and tests have proved very satisfactory. A total of 10,412 tons of copra has actually arrived and the processing into margarine should commence during the early part of September.

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D. SUPPLY AND DISTRIBUTION

Requirements

33. At the beginning of the month the problems connected with the UNRRA Food Import Program for the second half of 1946 became acute. As a result of shipments of unprogrammed commodities and some over-shipments of programmed items it became obvious that the most essential item in the Second Half Import Program, i.e. cereals was in danger of not being fulfilled because of lack of funds in the Food Budget. There also appears a danger of further quantities of unwanted items being shipped and of some unprogrammed items, other than wheat, being shipped in excess of the quantity originally requested. What appears to be a satisfactory solution has been reached. First, the food items yet to be shipped will conform to a very large extent to the pattern of the balance of the 1946 program not yet shipped. Second, we are assured that the 750,000 tons of cereals on the original program for the second half of 1946 will be sent, even if procurement and shipping have to be carried out after the 31 December 1946. This will mean that the total Food Budget for the year will go up to 211,200,000 dollars, an increase of 15,500,000 dollars on the former figure.

34. Final revisions were agreed with the Italian Government with respect to the Agricultural Import Program. The major changes were chiefly in the fields of seeds, fertilizers, farm machinery and several other items found to be in excess of Italian requirements.

35. Word has finally been received that Dobbin's sprayers, which are fundamentally necessary to the operation of the Sardinian Malaria Eradication Program, are unprocureable.

36. The two most important arrivals in the chemical field during the month were 4,000 tons of calcined petroleum coke, for the production of carbon electrodes and 100 tons of alcohol for medical use.

37. The first samples of margarine produced from UNRRA-imported copra have been examined and tests have proved very satisfactory. A total of 10,412 tons of copra has actually arrived and the processing into margarine should commence during the early part of September.

38. After two and a half months of wheat amassing, results are very satisfactory. As of 27 August 1,958,556 metric tons of wheat had been collected. The latest revision of production and amassing figures now completed in conjunction with the Italian Government provides for a wheat production of 6,089,340 metric tons and an amassing goal of 2,577,652 metric tons. It is estimated that the corn harvest will amount to 2,238,300 tons, rice 550,000 tons, sugar beets 2,373,000 tons and potatoes 3,063,000 tons.

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Shipments Received and Purchases Within Mission Territory

39. The receipt of supplies created a record this month, with a total of more than 1,150,000 tons. Coal alone was carried on 114 ships and amounted to 888,000 tons. Allocations from the European Coal Organization for August were 540,000 tons, with average expectations for the four remaining months at 600,000 tons per month.

40. The most important activities this month have been relative to the proposed procurement of some 42,700 tons of seed wheat against equal replacement of milling wheat plus a bonus in free funds to cover the cost differential. It was finally agreed that Italy should furnish 10,000 tons of seed wheat against a ton-for-ton replacement of good quality milling wheat plus an ERO-proposed bonus of 36 dollars per ton, transport and handling expenses to be paid out of lire proceeds of sale. ERO has requested to increase the differential payment to 40 dollars per ton and procurement has begun.

41. Completed purchase X-Ray tube for Albania.
Purchase agreed and under procurement: 10,000 tons seed wheat.

Negotiations in progress:

- Diesel and miscellaneous spare parts for Albania (total requirements 380,777 dollars)
- 8,000 tons sulphur for Czechoslovakia
- 2,000 doses antismoke serum for Albania
- 367 tons carbon bisulphide for Austria, Albania, Yugoslavia
- 5 tons lotus corniculatus for Greece
- 490 bicycles for Greece, Yugoslavia, Dodecanese, Poland
- Electrical equipment for Dodecanese
- Paper for sericulture (50,000 sheets) for Greece
- 2/300 tons alfalfa
- 1,000 plough shares for Dodecanese (not yet authorized)
- 100 tons hemp seed for Czechoslovakia, Yugoslavia.

Distribution

42. No alterations in the system of distribution were effected during the month for basic food items, except in the case of indigenous sugar now being produced. The distribution of this sugar from manufacturer to wholesaler and retailer is now in the hands of the sugar consorzio in place of the Federconsorzio, which handles only imported sugar. The system of allocations and release authorizations remains unchanged.

43. Slight departures from the normal allocating procedure have been necessary in regard to corn syrup and copra. Corn syrup had been imported against the UNRRA Italian Food Budget, and copra has also been imported on the same budget, although it is a primary essential material.

44. The procedure for disposal of spoiled foodstuffs has been further streamlined by the High Commissioner for Food.

45. Principal allocations of imported foodstuffs made during August were: Meat, Fish, Powdered Eggs, Dried Vegetables, Powdered Milk and Sugar.

46. The only reported irregularities in distribution during August relate to the Prefect of Cremona Province, who had authorized the milling of wheat at a rate of 100 tons per month. On the 26 August a letter

10,000 tons of seed wheat against a ton-for-ton replacement of good quality milling wheat plus an ERO-proposed bonus of 36 dollars per ton, transport and handling expenses to be paid out of lire proceeds of sale. ERO has requested to increase the differential payment to 40 dollars per ton and procurement has begun.

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46. The only reported irregularities in distribution during August relate to the Prefect of Cremona Province, who had authorized the milling of flour for bread at an 80% extraction rate. On the 26 August a letter was written to the High Commissioner for Food bringing the matter to his attention and suggesting that rigorous action be taken.

47. The Distribution of Medical Supplies has been dealt with fully in the Health Section of the Chief of Mission's Report, Paras 73 to 83.

Industrial Rehabilitation

48. The constant recurrence of problems of industrial reactivation and their impact on the Italian Economy as a whole has made necessary

the institution of an office of Industrial Economy, within the Sub-Bureau of Industrial Rehabilitation, which is charged with the responsibility of carrying out economic and technical industrial studies in conjunction with the various technical Divisions. Active studies are at present going on in the field of the iron and steel industry, one of the most complicated rehabilitation problems which faces Italian economy today. Efforts are being made to lay down criteria for the calculation of general industrial indices in order that some sensible and reasonably accurate gauge may be available to estimate the degree of reactivation of each individual industry from time to time.

Agricultural Rehabilitation

49. Distribution of Nitrogenous Fertilizers was again placed by the Italian Government under the coupon system. This was done to prevent speculation arising from inadequacies of supplies on hand to meet current requirements and in an attempt to assure that fertilizer will be used on the autumn cereals subject to the annessi.

50. Plans were prepared for 9,533 tons of ammonium nitrate arriving from the US. The overall plan for the distribution of red clover seed was prepared and the seed, which is arriving in small lots, will be shipped to the provinces in accordance with this plan.

51. Planning of tractor pools was carried into its final stages. UNRRA-imported tractors will all be used in the pools. Final plans of operation of pools are now awaiting signature of the Ministry.

52. The only new prices fixed during August were for two-bottom and three-bottom plows. The prices were based on weight and quality. They also represent a compromise between the price suggested by UNRRA and domestic prices.

53. In an attempt to secure full and prompt use of domestically-produced superphosphate, UNRRA and the Government have agreed to the removal of rationing, retaining, however, a ceiling price for the product ex-factory. Requirements and supply should approximately balance at 600,000 tons for the autumn season.

E. SERVICES PROVIDED WITH UNRRA RESOURCES

Welfare and Relief Projects

Services, Programs and Kind of Groups given Services

54. Corrected reports received from the Italian Delegation office for the distribution of food for assistance purposes during June show that a total of 1,806,066 persons were fed during that month.

55. The figures for July are still provisional and incomplete and show only a total of 1,791,069 receiving food to date. This total figure will probably be higher when complete reports are returned.

56. The distribution of used clothing to war sufferers, refugees and bombed-out persons continued during the month of July. A more prompt and more orderly method of distribution of this used clothing is being noticed as a result of Provincial Committee participation in

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57. During the month of August the Welfare Division was advised of an agreement reached with the Government and the cotton manufacturers in the north for the processing of about 30,000 tons of raw cotton made available to the Italian Government by UNRRA. Two-thirds will be distributed through channels of trade with controlled prices and one-third will be distributed free. A preliminary allocation plan for the 10,000

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tens to be distributed free has been completed and will provide materials to approximately six million people, 300,000 of whom are in institutions for aged, disabled, children, etc.

58. The summer colony program was well under way during the month, and on the whole has been well organized and has resulted in definite benefits to the children participating in it. In most of the colonies an improvement in the general health of the children and increase in weight have been observed. Regional welfare officers have been active in visiting the colonies within their regions as to appraise and to make recommendations for future planning.

59. The ability of the processing section to furnish all sorting points with enough material to process and the improvement of the electrical supply has permitted greater activity.

60. A total of 64 workshops and two warehouses were operated during the month. Of 930,140 garments sorted 240,943 were repaired. The increase over the July figures for garments sorted is almost 30%, while for repairs it is 50%. In new production 164,446 items were cut and 327,245 garments were made.

61. The processing of about 370,000 pairs of mis-mated army boots came to an end during the period covered by this report - four weeks earlier than had been originally anticipated. In consequence the number of pairs processed was less than last month, but the number of pairs repaired increased by more than 25%. The number of pairs sorted during the month was 163,672, of which 104,464 were repaired. With the production of sandals from unrepairable army boots continues. With the addition of rubber soles, two pairs of sandals are being made from each pair of boots. To date 6,250 pairs of sandals have been produced.

62. During the period 15 July to 15 August, 550,913 clothing items, 166,571 clothing units, 69,167 shoes and 58,426 bedding items were released from warehouses for distribution to Italian refugees and needy homeless persons. In addition, during the same period, 4,274 clothing items, 64 clothing units were released to Camps Division for non-Italian Displaced Persons.

63. New construction work is now in progress on 17 out of a total of 21 contracts approved by the Executive Committee. The rooms repaired during August were 7,373 (as compared with 4,210 during July).

Voluntary Agency Matters

64. Plans are nearing completion for the distribution of 150,000 dollars worth of food contributed by the Maritime Catholic Committee for Relief of Europe. All of these foods have not as yet arrived, but about 8,000 cases purchased under this plan are now in Italy. Plans call for the distribution of the food through the regular Provincial Committee organization, but with the Pontifical Commission for Assistance participating actively in the selection of persons to receive the contributed foods.

65. Tentative plans were also made for the distribution of the supplementary foods contributed by organizations in the United States. This contribution will amount to about 32,000 cases of tinned foods

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65. Tentative plans were also made for the distribution of the supplementary foods contributed by organizations in the United States. This contribution will amount to about 32,000 cases of tinned foods and about 250,000 dollars for the purchase of other foods.
66. The agreement between UNRRA and the American Service Committee was completed during the month and was sent to Washington Headquarters for final approval.

NON-ITALIAN DISPLACED PERSONS

Registration, Repatriation and Resettlement

67. The Repatriation and Occupational Survey of 19,231 displaced persons revealed two important items. Only 755 of the total desired repatriation either by way of return to their countries of origin, or to place of former residence. Of the remaining 18,476 not desiring repatriation, 12,200 expressed a desire to go to Palestine.
68. During the period reported upon 987 displaced persons have been repatriated from Italy. This number is divided as follows: individual movements numbering 224 and seven group movements totalling 763 persons. The group movements included 56 Czechoslovaks to Czechoslovakia, 143 Yugoslavs to Yugoslavia, 208 Poles to Poland, nine Belgians to Belgium, 99 Greeks to Greece and 243 French to France.
69. With regard to the Polish move, there had been some delays in securing the necessary clearance from the Military Authorities in Austria. It is hoped that in the case of future moves the securing of clearance and transportation will be expedited.

Maintenance and Care

70. The change-over from military-supplied rations to UNRRA stores, as projected in the UNRRA-SACRED Agreement, was accomplished smoothly and since 1 August all camps have been receiving established UNRRA dry rations, supplemented by fresh fruit and vegetables daily and fresh fish twice weekly. Negotiations to obtain ERO authorization for the expenditure of other than life funds for the procurement of fresh meat from Allied Military sources have not, as yet, been successful.
71. In addition to the 10 camps UNRRA accepted from the Allied Commission, the Rivoli Camp, near Turin, is now ready to accommodate 1,300 people.
72. The Division is providing assistance in the form of food, clothing, medical care and cash grants to a maximum of 7,500 persons residing in some 60 AJDC (American Joint Distribution Committee) sponsored training centers. As a result of reports concerning conditions at several of these camps a meeting was held on 1 August between AJDC and the UNRRA HQ staff and it was decided that an initial inspection would be made by a sanitary expert from the Medical Branch of this Division, periodic inspections would be made by the displaced persons Field Welfare Officer serving in the area where the center is located, and that an UNRRA welfare worker would be posted to each group of vocational training centers. This three-fold plan has now been in effect for several weeks and conditions in the vocational training centers have already shown considerable improvement.

HEALTH

Major Results and Problems

73. The third general distribution of relief medical supplies consisting of 521 tons valued at 561,930 dollars was completed during August. A plan for the first part of the fourth general distribution

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HEALTH

Major Results and Problems

73. The third general distribution of relief medical supplies consisting of 521 tons valued at 561,930 dollars was completed during August. A plan for the first part of the fourth general distribution of relief medical supplies, consisting of approximately 700 tons, with a value of 1,184,386 dollars was completed and approved by this Division. Distribution started during the month and 100 tons have been dispatched to 13 provinces in Italy. 1185

74. This Division approved a plan for the immediate distribution of 962 dozen X-ray films, chest size, valued at approximately 30,822 dollars, for use by sanatoria and tuberculosis sections of general hospitals throughout the country. It is anticipated that delivery of the film will be effected in September.

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75. Approximately 436 tons of medical supplies were received in August by the ICE (Istituto Commercio Estero - Foreign Trade Institute) on behalf of the Italian Government.

76. From inception of the program until 29 August 1946, a total of 3,622,142.84 square meters of hospital linen had been dispatched for use in hospitals or health programs, according to verbal information received from a representative of the Italian Delegation.

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

78. The 27 Italian nurses selected for the UNRRA Nurse-Teacher Training Program sailed for the US on 4 August. They are reported to have arrived safely in Washington, DC, and are going forward with their studies.

79. In accordance with a plan approved by this Division, the distribution of penicillin throughout Italy, Sicily and Sardinia has been transferred to the Italian Government. This transfer has coincided with an increase in the monthly allotment of the drug available for distribution in the country from 20,000 vials in July to 200,000 vials in August. Each vial of penicillin will be accounted for by the High Commissioner for Hygiene and Public Health through local medical committees which are responsible for the supervision of its clinical use.

80. The main operation of the Sanitary Engineering Section of this Division - the control of malaria in Italy by residual spraying with DDT - was completed during the first week in August. The total area sprayed was 1,890 square miles, and the total area of internal wall space sprayed was 31,405,049 square meters.

81. The recommendation that Regional Supply Officers should be appointed to assist the rapid and equitable distribution of relief medical supplies to Provincial institutions has received the approval of the Mission and officers have been appointed in the Regions of Sardinia, Naples, Rome, Florence and Milan.

82. Regional Medical Officers report satisfaction with the present medical supply situation and several of them have drawn comparisons between the condition of the hospitals last year and the early months of this year - when many essential supplies were unobtainable - and the condition now when the majority of medical institutions are adequately supplied with their immediate needs.

83. The Regional Medical Officer for Sardinia has drawn attention to the water shortage in the Province of Cagliari. As a result of his recommendation, five hydrochlorinators and 10 canvas water-storage tanks have been dispatched to the Provincial Health Officers of that Province to remedy the situation.

RESUME OF GENERAL HEALTH CONDITIONS

84. The general health of the people of Italy remains satisfactory, with the exception of seasonal increase in enteric fever, of which two outbreaks are noted in Attachment H-6-a Paragraphs 14 - 18 respectively, and the persistence of mild smallpox in Southern Italy, particularly in the Province of Bari.

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F. PUBLIC RELATIONS

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

85. There is nothing to report under this heading.

Major Results and Problems.

86. In Rome during August, despite illness which severely curtailed the Information Division staff, an increased number of releases were made and the high standard of ECONOMIC NOTES maintained. The releases were well-used and the Italian edition of ECONOMIC NOTES quoted at length.

87. The ECONOMIC NOTES circulation continues to increase and the ECONOMIC SURVEY, which is being distributed as a supplement has been well received by the foreign press.

88. The UNERA pavilion at the Rome Exhibition was a great success, being the first pavilion opened, and has been visited by 1,000 visitors daily during the week and between five and 7,000 on Sundays and holidays. Copies of films taken of the pavilion will be sent to Washington and London, and already MZL has shown some pictures of it in newsreels. Photographs of the UNERA exhibit were made available on the day of the opening and were used extensively in the Italian press.

89. Figures for distribution of photographs this month totalled 863, which, although less than last month, is considerably higher than any previous normal month.

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C. ORGANIZATION AND ADMINISTRATION OF THE MISSION.

Major Organizational Changes

90. The main organizational changes during the month have taken place within the Bureau of Requirements and Distribution. The handling of surplus property matters has been transferred from the Local Resources Division to the Division of Program Coordination and Statistics. This function will, in future, include all responsibilities of the Bureau in connection with the disposal of URMIA supplies. The Commodity Accounting Branch is no longer attached to the Program Coordination and Statistics Division, but as a Staff Branch to the Office of the Chief, Sub-Bureau of Supply Operations. In future it will be known as the Supply Records Branch.

91. The functions of the Price Office of the Bureau have been transferred to the Program Coordination and Statistics Division. This function includes coordination of the price work of the Bureau, acting as the technical secretariat for the Joint Price Committee, and representation of the Bureau on the Live Fund Control Committee. As noted in the July Report (H-5- Para 8) the Program Coordination and Statistics Division has been transferred from the Sub-Bureau of Supply Operations to the Office of the Chief of Bureau.

Personnel

92. As of 31 August 1946 the Mission Staff consisted of 557 Class I (regular), 3,833 Class II (locally employed) and 144 Class III (Voluntary Agency) employees - a total of 4,504 persons. Of the Class II employees 278 are British, 200 from the United States, 27 South Africans, 13 Canadians, 8 Palestinians, 3 Australians, 3 New Zealanders, 3 Danes, 3 Indians, 3 Russians, 3 Stateless, 2 Frenchmen, 2 Poles, 2 Swiss and one each from Egypt, Greece, Iceland, Haiti, Iran, El Salvador and Yugoslavia.

Administrative Problems

93. Many requests have been received from personnel travelling to England and the States, either on duty or for repatriation, for French and Swiss francs. Because of lack of currency it has not always been possible to assist travellers. As a result of representations to ERO it is hoped to acquire a small supply of these currencies in the near future.

94. As mentioned in the July Report (H-5 Para 13) the decision not to supply cash to other Mission personnel on leave in Italy is causing considerable inconvenience due to the difficulties experienced by personnel in obtaining personal funds from countries of their home stations.

95. The question of participation in the Provident Fund Scheme by personnel seconded from HM Forces is still under discussion as far as non-regular officers are concerned.

96. The supply of leave Travellers' cheques for use in Switzerland, Belgium, Denmark, Finland, USA (in the case of dollar cheques) and England and sterling area (in the case of sterling cheques) is running low and ERO has been cabled for a further supply.

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97. The Division of Vehicle Control and Maintenance has received schedules showing the spare parts available for British vehicles. Immediate contact was made with Ordnance, who suggested that the matter be held over until the Ministry of Supply assumed responsibility. This defeats the whole object of the scheme for acquiring these spare parts. The position of spare parts for American vehicles is likewise unsatisfactory. For some months it was understood that procurement was being made in the US. Now, apparently, procurement has been stopped as difficulty has arisen over the confusion of R and D requirements and requirements for the Italian Mission Administration vehicles. Cables have been sent asking for clarification of the position.

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 the 6th Meeting of the Lira Fund Control Committee.
 - H-1-b. Minutes of the 6th Meeting of the Price Committee.
 - H-1-c. Minutes of the 7th Meeting of the Lira Fund Control Committee.
 - H-1-d. Minutes of the 7th Meeting of the Price Committee.
 - H-1-e. Minutes of the Special Meeting of the Price Committee on P.O.L.
 - H-1-f. Letter to Prime Minister from Mr. Keeny dated 1 August '46.
 - H-1-g. Letter to Prime Minister from Mr. Keeny dated 26 August '46.
 - H-1-h. Supplementary Agreement with Sorveglanza.
- H-2. Brief Summary of the Main Economic Developments in Italy during August 1946.
- H-3. Monthly Report of the Division of Information.
- H-3-a. "Weekly Bulletin", Vol.2, No.28, dated 7 August, 1946.
 - H-3-b. "Weekly Bulletin", Vol.2, No.29, dated 14 August, 1946.
 - H-3-c. "Weekly Bulletin", Vol.2, No.30, dated 20 August, 1946.
 - H-3-d. "Weekly Bulletin", Vol.2, No.31, dated 28 August, 1946.
 - H-3-e. Translation of Mr. Keeny's Broadcast from Rome-Radio, 29 August, 1946.
- H-4. Monthly Report of the Bureau of Requirements and Distribution.
- H-5. Monthly Report of the Bureau of Finance and Administration.
- H-5-a. Memorandum to P.F.D.C. from Chief of Mission on "Use of Lira Fund".
 - H-5-b. Memorandum to Acting Chief of Mission from Financial Adviser (Lira Fund) on "Relationship of the Lira Fund to the Italian State Budget". (For Washington and London only).
 - H-5-c. Minutes of Meeting Concerning Distribution costs Incurred by the Federazione Consorzi Agrari, held on 21 August, 1946.
 - H-5-d. Consolidated Lira Fund as at 28 August, 1946.
- 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-7. Form S-50.
- H-8. Form MSR-1.

on PCL.

- H-1-f. Letter to Prime Minister from Mr. Keeny dated 1 August '46.
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- H-6-d. Monthly Report of the Displaced Persons Division.

H-7. Form S-50.

H-8. Form MSR-1.

H-9. "Economic Notes".

- H-9-a. Vol.1, No.29, dated 2 August, 1946.
- H-9-b. Vol.1, No.30, dated 9 August, 1946.
- H-9-c. Vol.1, No.31, dated 16 August, 1946.
- H-9-d. Vol.1, No.32, dated 23 August, 1946.
- H-9-e. Vol.1, No.33, dated 30 August, 1946.

H-10. Form EF-2. Amount and Utilization of Proceeds from Sale of UNRRA Supplies. (For Washington and London only).

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H-1 MONTHLY REPORT OF THE

SPECIAL ASSISTANT TO THE CHIEF OF MISSION FOR THE

MONTH OF AUGUST, 1946

RELATIONSHIP WITH THE ITALIAN GOVERNMENT

General situation

1. Most of the activity of the Government has been focused on the Peace Conference during the month of August, and the various members of the Government have frequently been absent from Rome. Prime Minister De Gasperi has gone back and forth from Rome to Paris, with the result that settlement of even major internal government problems has been postponed.
2. Rumors were spread of a possible cabinet crisis, particularly during De Gasperi's absence from Rome. This crisis would have had very serious repercussions, not only internally but also internationally. The change of government has been avoided, but the situation still remains rather tense.
3. The Council of Ministers has given serious attention to measures intended to suppress the black market, with particular regard to enforcing the limitations established by law in the serving of several courses in luxury restaurants.
4. Moreover, during the last week there has been a notable increase in the cost of living, which indicates a tendency towards a further depreciation of the lire. As was to be expected, this created a reaction in the working classes. The position of the government in this connection seems to be that of keeping prices down, rather than of increasing salaries, and thus avoid greater inflation. To this end the Government is examining the situation and preparing the appropriate legislation.
5. During the past month, in northern Italy, there have been several disturbances caused by the dismissal of various partisans employed with the police force. This brought about a dissension movement on the part of numerous partisans of the northern regions, who demanded from the Government better treatment and salary conditions for all the partisans in Italy. The dispute has been settled, and it is not foreseen that further repercussions will be felt.

Offer of credits on the part of the Norwegian Government

6. During the last days of August this Mission has been informed that the Norwegian Government has decided to extend credits to all European countries assisted by UNRRA, for the purchase of commodities available in Norway. These credits will be in addition to the contributions given by Norway through UNRRA, and will be free from interest for a period of three years. This offer has been transmitted to the Italian Government for consideration.

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Bread subsidy

7. UNRRA's position with respect to subsidizing the price of bread was formally communicated to Prime Minister De Gasperi by Mr. Keeny with letters dated 1 and 26 August 1946, copies of which are attached. (Attachments H-1-f and H-1-g). These letters confirm the decision taken by Director General La Guardia not to agree to the use of the proceeds of sale of UNRRA goods to subsidize the political price of bread.

CI 7014

Joint Committees

The Price Committee

8. The minutes of the 6th and 7th meetings of the Price Committee, and a special meeting on PCL are shown as attachments H-1-b, H-1-d and H-1-e. During the month of August the Price Committee held three meetings, in which the prices for numerous commodities were fixed. Closer cooperation has been reached between the various representatives of Government agencies in the preparation for meetings and in the fixing of prices.

Lire Fund Control Committee

9. The minutes of the 6th and 7th meetings of the Lire Fund Control Committee are shown as attachments No. H-1-a and H-1-c. This committee held two meetings during the month of August. The most important recommendations made by the Committee refer to:

- a) Appropriation to the Ministry of the Treasury of 500 million lire, to be used as an advance against the subsidy for indigenous coal to bring the price into line with imported coal.
- b) A loan of 1,650 million lire to the Italian Government Delegation for the manufacture and distribution of cotton textiles imported under the UNRRA 1946 program.

AGREEMENTS NEGOTIATED OR IN PROGRESS

Supplementary Agreement between UNRRA and Sorveglianza

10. A Supplementary Agreement between UNRRA Italian Mission and Sorveglianza S.A. (Anonymous Society of Supervision) was signed in Rome on 14 August, 1946. In accordance with this Supplementary Agreement, Sorveglianza will superintend, on behalf of UNRRA, the distribution in Italian ports of UNRRA bulk oil cargoes coming from overseas for the account of UNRRA Italian Mission. (Attachment H-1-h).

Agreement between the UNRRA Italian Mission and the Mennonite Service Union

11. A letter has been sent to Mr. Boyd H. Nelson, leader of the Mennonite Service Union by Mr. Keeny on 29 August, 1946, incorporating the provisions for the Waldensian Valley Project and for welfare, recreation, health and nutrition services to be rendered by the Mennonite Service Union in collaboration with UNRRA, to Italian Displaced Persons in Italy. However, the mutual obligations assumed by the Mennonite Service Union and the UNRRA Italian Mission under the terms of this letter, will have full legal effect only after they have been approved by the Italian Government and the Director General of UNRRA.

Agreement between UNRRA Italian Mission and Organization, Reconstruction, Training (ORT)

12. An agreement between UNRRA Italian Mission and ORT is being

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Agreement between UNRRA Italian Mission and Organization, Reconstruction, Training (ORT)

12. An agreement between UNRRA Italian Mission and ORT is being negotiated. The Agreement has been submitted to Mr. Blass, leader of Organization, Reconstruction, Training and to the Italian Government Delegation, for final approval.

A. PEDINELLI
for:
SPECIAL ASSISTANT TO
THE CHIEF OF MISSION

CI 7014

Attachments:

- H-1-a Minutes of the 6th meeting of the Lire Fund Control
- H-1-b Minutes of the 6th meeting of the Price Committee
- H-1-c Minutes of the 7th meeting of the Lire Fund Control
- H-1-d Minutes of the 7th meeting of the Price Committee
- H-1-e Minutes of the Special meeting of the Price Committee on PCL
- H-1-f Letter to Prime Minister from Mr. Keeny dated 1 August, 1946
- H-1-g Letter to Prime Minister from Mr. Keeny dated 26 August, 1946
- H-1-h Supplementary Agreement with Sorveglianza

CI 7014

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Attachment H-1-2
UNITED NATIONS REFINANCE AND REHABILITATION ADMINISTRATION
Italian Mission

Ref: SA/Meet

22 August 1946

TO: DISTRIBUTION

FROM: SPECIAL ASSISTANT TO CHIEF OF MISSION

SUBJECT: AMENDMENT TO MINUTES OF THE SIXTH MEETING OF THE
LIRE FUND CONTROL COMMITTEE (31 July 1946)

In accordance with the agreements reached at the meeting of the Lire Fund Control Committee of 14 August 1946, the following amendment should be made on the minutes of the Sixth meeting, held on 1st July 1946.

Sara 29. Reading:

MR. MARCOLINI said that, when the final checking of the previous expenditures is completed, the Lire Fund will be charged as follows for the assistance programs:

644,000,000 lire for assistance up to plan O,
155,000,000 lire for plan P.

The total appropriations would therefore amount to 769,000,000 lire through August.

should read:

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The total appropriations would therefore amount to 769,000,000 lire through August, from which would be deducted certain sums for grain sold in 1945 by Federazione Consorzi Agrari.

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All those present:

Mr. Hodgetts
Mr. Travers
Mr. Orpen
Mr. Contini
Mr. Fedinelli
Mr. Landsberg
Mr. Marcolini
Mr. Loheda
Mr. Fiorianni
Mr. Bianco
Mr. Telluco

P. Contini
SPECIAL ASSISTANT TO
THE CHIEF OF MISSION

Chief of Mission
Industrial Adviser
Legal Adviser
Public Information
Div. of Operational Analysis
Bur. R & D (2)
Bur. F & A (2)
Bur. R.S. (2)
Program-Coord. - S/P of Supply Oper.
Price Office - Bur R & D
Conference Secretariat
American Embassy - Mr. Leigh Hunt
Region. Directors (9)

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PCONTENT:lm

DISTRIBUTION

All those present:

Mr. Hodgetts
Mr. Travers
Mr. Orpen
Mr. Contini
Mr. Pedinelli
Mr. Landsberg

Mr. Marcolini
Mr. Coburn
Mr. Fournier
Mr. Bianco
Mr. Belluco

P. Contini
SPECIAL ASSISTANT TO
THE CHIEF OF MISSION

Chief of Mission
Industrial Adviser
Legal Adviser
Public Information
Div. of Operational Analysis
Bur. R & D (2)
Bur. F & A (2)
Bur. P.S. (2)
Program-Coord. - S/P of Supply Oper.
Price Office - Bur R & D
Conference Secretariat
American Embassy - Mr. Leigh Hunt
Region. Directors (9)
Spec. Asst. to C o M
Registry (9)

CA 6787

UNRRA - ITALIAN MISSION
Central Secretariat

LIRE FUND CONTROL COMMITTEE

Minutes of the Sixth Meeting
held at 10.30 am, 31 July, 1946

PRESENT FOR UNRRA:

Mr. Hodgetts
Mr. Travers
Mr. Orpen
Mr. Contini
Mr. Pedinelli
Mr. Landsberg

Deputy Chief of Mission & Chief, Bur. F & A
Senior Finance Officer, Office of Fin. Adv. (Lire)
Assistant to Financial Adviser (Lire Fund)
Special Assistant to Chief of Mission
Office of Special Assistant to Chief of Mission
Statistic & Commodity Accounting Branch, F.

SENT FOR ITALIAN GOVERNMENT:

Mr. Marcolini	Ministry of the Treasury
Mr. Sgheda	Italian Government Delegation
Mr. Borgianni	ICE
Mr. Piana	ICE
Mr. Belluco	ICE

A G E N D A

1. Approval of minutes of fifth meeting.
2. Imported wool (Delegation).
3. Progress report on charges by the Federazione Consorzi Agrari 1945-46.
UNRRA Camps and Welfare Programs (Delegation)
4. Progress report on distribution costs of Federazione Consorzi Agrari for 1945 program (Delegation).
5. Progress report on base of distribution costs of grain, flour and codfish as calculated by the Federazione Consorzi Agrari (Delegation).
6. Any other business.

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UNRRA - ITALIAN MISSION

MINUTES OF THE SIXTH MEETING OF THE
LIRE FUND CONTROL COMMITTEE

I. Approval of minutes of previous meeting.

1. MR. HODGETTS opened the meeting, asking whether there were any points for discussion on the minutes of the previous meeting.

2. MR. MARCOLINI and MR. SCHEDA referred to inaccuracies in the minutes, and it was generally agreed that these were due to faulty translation.

3. On this point MR. HODGETTS suggested two solutions:

(a) That UNRRA be responsible for the translation of the minutes into Italian, but in this case it would be necessary to employ technical translators and therefore increase the administrative expenses, or

(b) that the translation be made by the Delegation and then submitted to UNRRA for checking and correction before it is circulated.

4. MR. MARCOLINI replied that the second of these two alternatives would be preferable.

5. MR. HODGETTS suggested that this course be followed in so far as the minutes of the present meeting were concerned, and a decision as to procedure made when the amount of extra work for UNRRA could be ascertained.

6. This was generally agreed (ACTION: UNRRA, DELEGATION)

7. There being no other comments or objections, the minutes of the fifth meeting were approved.

I A. Outside of Agenda.

8. Before passing to the second item on the agenda, MR. MARCOLINI referred to the Economic Notes No. 22, issued by UNRRA - Italian Mission.

9. In this publication, MR. MARCOLINI said, it was stated that supplies to the approximate value of 30 billion lire had arrived in Italy. This, he added, did not tally with the amounts received by the Lire Fund, totalling about 8,069,000,000 lire.

10. MR. MARCOLINI continued stating that this discrepancy could arise from two reasons - either some supplies had not been delivered

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to the Government, or they had not yet been priced.

11. He suggested that steps be taken by the Delegation and UNRRA to ascertain which goods had been priced and which had not, and in the case of those goods which had not yet been priced, immediate action should be taken to ensure that this was done.

12. MR. HODGETTS agreed that there were possibly certain commodities which still remained unpriced, adding that he had taken this matter up both with the Chief of Mission and with the Deputy Chief for Requirements & Distribution, and that appropriate action was being taken.

13. MR. COMINI suggested that there might be a third reason for the discrepancy in the figures - i.e. that some of the proceeds of sale have not yet been paid into the Lire Fund.

14. MR. LANDSBERG stated that the figures quoted by MR. MARCOLINI are in dollars, and he added that an accurate figure cannot be obtained by translating the dollar value of imported goods into lire, as account had to be taken of the fact that wheat and coal were sold at a figure lower than the landed cost, and in effect a subsidy was created not by withdrawing money from the Lire Fund, but by paying in less than the actual value of the goods.

15. MR. MARCOLINI agreed that there was a considerable difference between the dollar value and the selling price in lire, which was paid into the Lire Fund. Nevertheless, he suggested that it would be useful to have definite knowledge of the figure which could be expected to be paid into the Lire Fund, having regard to supplies landed.

16. MR. MARCOLINI suggested that a small Sub-Committee be appointed to investigate this matter, with MR. SCHIMA and MR. ARZUFFI, of the Italian Delegation, and DR. FRACCA of ICE, representing the Italian side of the Lire Fund Control Committee. He also said that the plan of re-employment of the Lire Fund should not be based on the approximate 8 billion lire presently available, but on the estimate total figure of 50/60 billion lire.

17. MR. HODGETTS agreed with the suggestion of MR. MARCOLINI to form a Sub-Committee, and appointed MR. LANDSBERG and MR. PORTER to act for UNRRA in this matter.

18. MR. MARCOLINI proposed that the Sub-Committee be asked to submit within 10/15 days, a report under the following headings:

- (a) Goods which have arrived in Italy
- (b) Goods which have been delivered
- (c) Goods which have been priced, and
- (d) Goods which have not yet been priced.

19. This suggestion was approved by the meeting (ACTION: UNRRA, DELEGATION).

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action was being taken.

13. MR. CONTINI suggested that there might be a third reason for the discrepancy in the figures - i.e. that some of the proceeds of sale have not yet been paid into the Lire Fund.

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- (a) Goods which have arrived in Italy
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(c) Goods which have been priced, and
(d) Goods which have not yet been priced.

19. This suggestion was approved by the meeting (ACTION: UNRRA, DELEGATION).

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II. Imported wool (Doc. 14 & 14 A).

20. MR. SCHEDEA stated that at a meeting held on July 23rd in MR. HOPKIN's office, between Government and URRRA representatives, MR. DELLA NEGRA and MR. FERRIS were requested to present proposals to the Lire Fund Committee for the procedure to be followed for the sale and distribution of wool. He added that, as agreed with MR. LUZZATTO, the Delegation had issued instructions to the Italian Wool Association for the removal to Northern Italy of wool which was in danger of spoiling, in the Naples Warehouses. The Italian Wool Association will communicate shortly the estimated cost of moving and storing the wool.

21. MR. MARCOLINI said that the wool would be sold as soon as it arrives, and not necessarily through the Italian Wool Organisation, thus avoiding unnecessary costs of transport and the possibility of losses.

22. MR. MARCOLINI recommended that the question of wool be submitted to the next meeting of the Price Committee. He furthermore said that the wool should be delivered to ICE and sold to the highest bidder.

23. MR. HODGETTS said that he will present to the Chief of Mission the first point of MR. MARCOLINI's recommendation. The latter part of MR. MARCOLINI's statement however, continued MR. HODGETTS, is outside of the jurisdiction of this Committee (ACTION: URRRA).

III. Progress report on charges by the Federazione Consorzi Agrari for URRRA Camps and Welfare Program (Doc. 15 & 15 A).

24. MR. SCHEDEA stated that the Federazione Consorzi Agrari had submitted figures concerning the income derived from sales of wheat and the expenses which they had sustained in purchasing food from the Welfare Programs. The difference between these two figures, continued MR. SCHEDEA, amounted to lire 250,000,000 which represented expenses actually sustained, or commitments entered into, by the Federazione Consorzi Agrari. These figures, when submitted, were not accompanied by sufficient explanation, and a committee had been set up to examine them.

25. The Committee, continued MR. SCHEDEA, had decided that for the figures regarding the past, i.e. from plan F to C, the Federazione Consorzi Agrari should be requested to present the details of actual expenditures incurred for each plan, and that in the future the Federazione should submit its expenditures for each operation in detail. MR. SCHEDEA added, that the Federazione's figures had been transmitted to the Mission, and the Delegation was now examining them. As regards the plan preceding plan F, it appears that not all the allocations have been made as yet. This may be due either to the fact that the Federazione has not yet been notified of all the deliveries actually made, or that not

1572

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25. The Committee, continued MR. SCHEDA, had decided that for the figures regarding the past, i.e. from plan F to O, the Federazione Consorzi Agrari should be requested to present the details of actual expenditures incurred for each plan, and that in the future the Federazione should submit its expenditures for each operation in detail. MR. SCHEDA added, that the Federazione's figures had been transmitted to the Mission, and the Delegation was now examining them. As regards the plan preceding plan F, it appears that not all the allocations have been made as yet. This may be due either to the fact that the Federazione has not yet been notified of all the deliveries actually made, or that not

C: 6600

all the supplies are yet available. The amounts declared as consigned by the Federazione have been received by the Provincial Committees and therefore the Delegation recommends that, when justification of these figures is recorded, the Federazione Consorzi Agrari should receive 100% payment. As regards plan P, the Federazione has submitted figures for a total amount of 155,000,000 lire. This sum should cover the requirements of the Federazione for a period of 2 months.

26. MR. HODGETTS agreed to recommend the payment of 155,000,000 lire, provided that this refers only to plan P, covering the months of July and August. He stated that this sum was not to be considered as payment for expenses previously incurred and relative to other plans.

Rec. No. 6.

27. It was then agreed that the Lire Fund Control Committee recommend that the sum of 155,000,000 lire be allocated to the Italian Government Delegation to cover the expenditures incurred by the Federazione Consorzi Agrari in the execution of plan P.

28. MR. SCHEDA then proposed that, after the checking is completed, the sum of 361,000,000 lire covering expenses up to plan O, should be paid to the Federazione.

29. MR. MARCOLINI said that, when the final checking of the previous expenditures is completed, the Lire Fund will be charged as follows for the assistance programs:

614,000,000 lire for assistance up to plan O,
155,000,000 lire for plan P.

The total appropriations would therefore amount to 769,000,000 lire through August.

30. MR. HODGETTS stated that this would be the case only, if the figure of 614,000,000 lire is substantiated by the investigation which is being carried out.

31. MR. MARCOLINI agreed with this remark. He then asked how long the Welfare Program would be continued.

32. MR. HODGETTS stated that this would be at the discretion of the Chief of Mission, but that it would definitely continue until the end of August.

IV. Progress report on distribution costs of Federazione Consorzi Agrari for 1945 program (Italian Government). - See Coo. 4 & 4 A attached to minutes of 4th meeting of the LFCC.

33. MR. MARCOLINI stated that it had already been decided at the Fifth meeting of the Lire Fund Control Committee, that 80% of 400,000,000 lire, less 75,000,000 lire already advanced by

1574
Rec. No. 6.

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CM 6600

the Delegation to the Federazione Consorzi Agrari, that is, a sum of 245,000,000 lire, should be placed at the disposal of the Federazione Consorzi Agrari. He added, that this sum should be paid to the Delegation which would transfer it to the Federazione.

34. MR. HODGETTS agreed and added, that this sum would be considered part of the allocation that will be made to the Delegation for its expenditures.

35. There was general agreement on this point.

7. Progress Report on bases of distribution costs of grain, flour and codfish as calculated by the Federazione Consorzi Agrari (Delegation).

36. MR. HODGETTS stated that owing to pressure of work in connection with the recent visit of the Director General, he had not been able to study the documents concerning this Progress Report, and in view of the fact that the operation was still in progress, he requested that this item be postponed until the next meeting of the Lire Fund Control Committee.

37. MR. SCHEDA stressed the importance of fixing the distribution costs at the earliest possible time, in order to prevent the Federazione Consorzi Agrari from withholding unchecked sums for distribution costs.

38. MR. HODGETTS agreed with the urgency of this matter and undertook to expedite a decision so far as the UNRRA members of the Sub-Committee were concerned, requesting that MR. SCHEDA take similar action regarding the Italian members.

39. MR. SCHEDA said that the Delegation had already submitted its conclusions.

40. MR. HODGETTS replied that UNRRA will present a report on this matter at the next meeting of the Committee (ACTION:UNRRA).

VI. Other business.

1. Bunkerage expenses. (Doc. No. 17 & 17 A).

41. MR. SCHEDA read doc. No. 16 regarding supplies of bunker coal for foreign ships.

42. MR. HODGETTS stated that he agreed with the principle that this coal should be paid out of the Lire Fund, but he did not

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41. MR. SCHEDA read doc.No.16 regarding supplies of bunker coal for foreign ships.

42. MR. HODGETTS stated that he agreed with the principle that this coal should be paid out of the Lire Fund, but he did not

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agree with the proposal of supplying 180 tons of coal free of charge. He stated that the Coal Association should send a request for reimbursement to UNRRA accompanied by receipts from the Masters of the ships.

43. MR. SCHERRA stated that a request for reimbursement had been submitted on 25 June, but this had not been accompanied by receipts. The receipts, he added, would be requested immediately (ACTION: DELEGATION).

44. MR. HODGETTS stated that only properly audited receipts would be considered for payment. He added that all correspondence in this connection should be addressed to the Italian Mission, for the attention of the Financial Adviser (Lire Fund), and not to the Chief of Mission.

2. Intermission-Trade (Doc. 18 & 18 A).

45. MR. MARCOLINI stated that purchases which UNRRA made in Italy for export to other countries assisted by UNRRA were financed by Italian currency supplied by the Lire Fund, and repaid by UNRRA in dollar or sterling currency. He continued, saying that the Delegation had paid for purchases to date and was now without funds - he asked therefore that authorisation be given for the Delegation to withdraw 150,000,000 lire from the Lire Fund in repayment of money expended.

46. MR. HODGETTS stated that this was a complicated matter, requiring legal opinion on the interpretation of the Supplementary Agreement. He stated that MR. MARCOLINI's comments would be referred to the Chief of Mission and the Legal Adviser (ACTION: UNRRA).

47. MR. MARCOLINI informed the group, that two cheques in pounds sterling had already been received by the Ministry of the Treasury in connection with these operations.

48. It was then decided that the next meeting will be held on Wednesday 14 August, at 10 a.m.

49. The meeting rose at 12.

ATTACHMENTS: Doc. Nos. 14 & 14 A, 15 & 15 A, 16 & 16 A, 17 & 17 A, 18 & 18 A.

DISTRIBUTION: All those present
 Chief of Mission
 Industrial Adviser
 Legal Adviser
 Public Information
 Div. of Operational Analysis
 Bur R & D {2}
 Bur F & A {2}
 Bur R S {2}
 Program-Coord. -S/B of Supply Operations
 American Emb.-Mr. Hunt
 Region. Directors {9}
 Registry {2}

1175

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 Program-Coord. - S/B of Supply Operations
 Price Office - Bur R & D
 Govt. Liaison (2)
 Conference Secretariat (2)

American Emb. - Mr. Hunt
 Region. Directors (9)
 Registry (2)

CM 6600

Attachment B-2
UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION
Italian Mission

Ref: SA/meet.

26 August 1946

TO: DISTRIBUTION

FROM: SPECIAL ASSISTANT TO CHIEF OF MISSION

SUBJECT: AMENDMENT TO MINUTES OF THE SIXTH MEETING OF THE PRICE COMMITTEE (10th August 1946)

Please take note that Page 1 para. 5 of the above minutes

reading:-

"He added that the landed cost was 70 lire per kilogram (56 lire per kilogram and 14 lire handling charge) and the figure of 100 lire was still considerably higher than the landed cost".

should be corrected to read:-

"He added that the total cost was 70 lire per kilogram (56 lire per kilogram and 14 lire handling charge) and the figure of 100 lire was still considerably higher than the total cost."

A. Pedinelli
for SPECIAL ASSISTANT TO
CHIEF OF MISSION

APEDINELLI:lm

DISTRIBUTION

All those present:

Mr. Buzzatto
Mr. Verdame
Mr. Sullam
Mr. Landsberg
Mr. Dorkovich
Mr. Cardani
Mr. Rylance
Mr. Contini
Mr. Hopkins
Mr. Diegge

Mr. Menzione
Mr. Foglietti
Mr. Hoffmann
Mr. Gensini
Mr. Lubrano
Mr. Bolini
Mr. Cambioli
Mr. De Luca

Chief of Mission
Industrial Adviser
Legal Adviser
Div. Operational Analysis
Mr. R & D (2)
Mr. P & A (2)
Mr. R.S. (2)
Div. Progr. Coord. Statist. (S/E)
Supply Oper.
Price Office - Mr. R & D
Conference Secretariat (2)
Historical & Report Branch
(Att. Mr. Ferris)
Regional Directors (9)
American Embassy - Mr. Hunt
Spec. Asst. to C of M
Registry

1275

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APEDINELLI:lm

DISTRIBUTION

All those present:

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Mr. Verdine
Mr. Sullam
Mr. Landsberg
Mr. Dorkovich
Mr. Cardani
Mr. Rylance
Mr. Contini
Mr. Leplina
Mr. Niccge
Mr. Menzinger
Mr. Foglietti
Mr. Portaro
Mr. Genzini
Mr. Lubrano
Mr. Polini
Mr. Gambioli
Mr. De Luca
Mr. Mastrocinquino

A. Pedinelli
for SPECIAL ASSISTANT TO
CHIEF OF MISSION

Chief of Mission
Industrial Adviser
Legal Adviser
Div. Operational Analysis
Bur. R & D (2)
Bur. F & A (2)
Bur. R.S. (2)
Div. Progr. Coord. Statist. (S/E)
Supply Oper.)
Price Office - Bur. R & D
Conference Secretariat (2)
Historical & Report Branch
(Att. Mr. Ferris)
Regional Directors (9)
American Embassy - Mr. Hunt
Spec. Asst. to C o M
Registry

1475

CA 6855

UNRRA-ITALIAN MISSION
Central Secretariat

PRICE COMMITTEE

Minutes of the Sixth Meeting
held at 10.30 am, 10th August 1946.

PRESENT FOR UNRRA:

Mr. B. Luzzatto
Mr. F. Verdirame
Mr. V.B. Sullam
Mr. H.H. Landsberg
Mr. V. Dorkovich
Mr. G. Cardani
Mr. T.M. Rylance
Mr. P. Contini
Mr. G. Hopkins
Mr. G. Miegge

Act. Deputy Chief of Mission & Chief, Bur R & D
Price Specialist - Bureau R & D
Chief Analyst - Bureau R & D
Program Coord. & Statist. Div., Bureau R & D
Requirem. & Distribut. Director of Chem. Div.
Div. of Agriculture - Bureau R & D
Div. of Food Processing
Special Assistant to Chief of Mission
Financ. Adviser (Lire Fund) - Bur F & A
Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

Mr. G. Menzione
Mr. A. Foglietti
Mr. A. Foffano
Mr. Ganzini
Mr. Lubrano
Mr. Bolini
Mr. Gambioli
Mr. F. De Luca
Mr. A. Mastromarino

Italian Delegation
Interministerial Committee on Prices
Ministry of Treasury
Ministry of Industry & Commerce
" " " "
" " " "
Ministry of Agriculture
" " "
High Commissariat for Food

A G E N D A

- I. Approval of Minutes of 4th and 5th meeting.
- II. Report of the Agricultural Sub-Committee on Distribution Costs of agricultural items.
- III. Report of Chemical Sub-Committee on Price of Colophony.
- IV. Pending items.
 - (a) Rubber
 - (b) Corn Syrup
 - (c) Composition Soling
 - (d) Medical supplies.
- V. New items for price fixing.
 - (a) Copra
 - (b) Denaturated alcohol
 - (c) Quebracho Extract
 - (d) Newsprint
 - (e) Blister Copper
- VI. Items to be re-examined.

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Mr. V.B. Sullivan
 Mr. H.H. Landsberg
 Mr. V. Dorkovich
 Mr. G. Cardani
 Mr. T.M. Rylance
 Mr. P. Contini
 Mr. G. Hopkins
 Mr. G. Miegge
 Chief Analyst - Bureau R & D
 Program Coord. & Statist. Div., Bureau R & D
 Requirement. & Distribut. Director of Chem. Div.
 Div. of Agriculture - Bureau R & D
 Div. of Food Processing
 Special Assistant to Chief of Mission
 Finance. Adviser (Life Fund) - Bur F & A
 Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

Mr. G. Menzies	Italian Delegation
Mr. A. Foglietti	Interministerial Committee on Prices
Mr. A. Poffano	Ministry of Treasury
Mr. Genzini	Ministry of Industry & Commerce
Mr. Lubrano	" " " "
Mr. Bolini	" " " "
Mr. Gambioli	Ministry of Agriculture
Mr. F. De Luca	" " " "
Mr. A. Mastromarino	High Commissariat for Food

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 - (b) Denaturated alcohol
 - (c) Quebracho Extract
 - (d) Newsprint
 - (e) Blister Copper
- VI. Items to be re-examined.
 - (a) Forage - pea seed (Price expired July 31, 1946)
- VII. Review of Status of preparatory work on POL prices.
- VIII. Any other business.

CH 5738

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MINUTES OF THE SIXTH MEETING OF THE
PRICE COMMITTEE

1. MR. LUZZATTO presided at the meeting during MR. CLEVELAND's absence in Geneva.

I. Approval of Minutes of the 4th and 5th Meetings.

2. No objections were raised and the Minutes of the 4th and 5th Meetings were approved.

II. Report of the Agricultural Sub-Committee on Distribution Costs of Agricultural Items. (See Doc. 24 & 24 A attached to Minutes of 5th Meeting.)

3. MR. SULLAM referred to the Summary Report of the Sub-Committee (Doc. No. 24 & 24 A) showing the details of handling charges divided between actual expenses and mark-up for the Federconsorzi. He stated that distribution charges for forage pea seeds were still under discussion with the Federconsorzi for further clarification. MR. SULLAM asked whether the Italian Government representatives wished to postpone discussion until they had examined the distribution costs arrived at by the Sub-Committee.

4. The Italian Government representatives agreed that they would prefer to postpone the discussion until the next meeting.

III. Report of Chemical Sub-Committee on price of Colophony. (See Doc. No. 27 & 27 A attached to Minutes of 5th Meeting.)

5. MR. DORKOVICH reported that there was a differentiation of approximately 100% in the proposed prices for Colophony between the Central District and the Northern District. In the Northern District the price was proposed by the Northern Italy Sub-Committee, at 60 lire per kilogram, while in Rome the Central Commission proposed 120 lire. The Sub-Committee examined the prices, taking into consideration all the various data and factors, and decided that the Central Committee in Rome was justified in its price because the price of 60 lire would create an unnecessary and unjustified windfall to manufacturers and would bring about a temptation for diversion from legitimate manufacturers to free market sales. However, it was felt that the price of 120 lire was too high, also because a small shipment of 43 tons on private account had recently been sold at 110 lire. MR. DORKOVICH recommended that the price be fixed at 100 lire, inasmuch as the price was decreasing all the time. He added that the landed cost was 70 lire per kilogram, (56 lire per kilogram and 14 lire handling charge) and the figure of 100 lire was still considerably higher than the landed cost.

6. MR. DORKOVICH said that some private firms had imported Colophony at 105 lire, and the price of 100 would be just a little below that.

7. MR. LUZZATTO asked if the Italian Government representatives agreed on the price of 100 lire per kilogram, ex-ware-

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6. MR. DARKOVICH said that some private firms had imported Colophony at 105 lire, and the price of 100 would be just a little below that.

7. MR. LUZZATTO asked if the Italian Government representatives agreed on the price of 100 lire per kilogram, ex-warehouse, including charges up to the warehouse.

= 2 =

8. The Italian Government accepted this proposal.

Reo. No. 20

9. It was therefore recommended that the price of Colophony be fixed at 100 lire per kilogram, ex consignee's warehouse net weight including packing.

10. MR. DARKOVICH then advised that without previous consultation Washington had shipped and UNRRA was accepting 900 tons of wood rosins, a product not normally imported into Italy. As it had not previously been imported, there was no basis for establishing the relative value to the various industrial consumers of the wood rosin and colophony. The Sub-Committee had decided, therefore, to telegraph Genoa to take samples of the wood rosin normal and red rosin B grade, then to subject the analysis to competent technicians in order to establish the physical characteristics on which to base the value to the manufacturers. MR. DARKOVICH requested that further discussion on this item be postponed until this information is received. He added that this report will be a relatively minor portion of the total colophony imports, which should be around 6,000 tons. This was agreed.

IV PENDING ITEMS

a) Rubber (See Doc. No. 29 & 29 A attached to Minutes of 5th Meeting.)

11. MR. LUBRANO proposed that there should be only one price for all types of rubber - UNRRA or Government imported. He stated that the price of rubber imported by the Government is 173 lire plus 15% distribution expenses. However, since it is distributed through the consignee's warehouse, the suggested price remains the same.

12. MR. LUZZATTO said that any price between 190 lire and 200 lire would be acceptable to UNRRA.

13. It was therefore agreed that the price should be 200 lire per kilogram, ex consignee's warehouse for 100/I Standard quality (crude), all other types to be fixed in proportion to the ratio of landed cost.

Reo. No. 21

b) Corn Syrup (Doc. No. 33 & 33 a - See also Doc. No. 30 & 30 A attached to Minutes of 5th Meeting)

14. MR. MASTROMARINO said that a certain amount of corn syrup had already arrived and another 16,000 to 18,000 tons was due to arrive soon, in total, nearly 20,000 tons. It was the Government's opinion that part of this corn syrup would be more useful to the industry than to individuals. However, in the case of institutions, it might be best to distribute corn syrup instead of sugar. As to price, MR. MASTROMARINO felt it should be based on landed cost plus distribution charges. It was proposed by him that a recommendation on the price be postponed to another meeting until the uses to which the corn syrup is put are known.

15. MR. LUZZATTO stated it was very urgent that a decision be reached on corn syrup as it would be more difficult to dispose of it when the new sugar arrived.

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Rec.N.21

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to establish

16. MR. MASTROMARINO then proposed a temporary price, pending the above mentioned decisions, taking into consideration the sweetening power of the corn syrup which has been examined by the Institute for Health and found to be only 38 per cent of

normal sugar. He added that the Institute for Health is presently investigating the possibilities of using corn syrup, and upon receipt of the findings the High Commissariat for Food will make its report and suggestions. It was expected that this information would be available for the next meeting.

17. MR. SULLAM requested that the corn syrup also be examined by the Experimental Station to see if it were suitable for use in food canning. MR. SULLAM asked also, what would be the price of the new sugar of domestic production.

18. MR. TOLLENTI advised that the price ex production plant would be 115 lire and the price to the consumer 150 to 160 lire.

19. MR. BOLLINI reported that the Ministry of Industry had asked the High Commissariat for Food what amounts it wished to keep for direct feeding purposes, as the Ministry of Industry had received requests from various industries for the production of pharmaceutical items, soft drinks, mustard, and sweets. Therefore, before settling quantities to be assigned to the various industries and prices for industry, it would be necessary to know the amount assigned for direct consumption.

20. MR. BOLLINI added that there may be 3 different prices: one for sales direct to the consumer, one for industry in general, and another for industries of jams and marmalades, if the Treasury grants the reduction formerly given to industry on sugar. In the latter instance, it was mentioned that it was not expected that the Treasury would again grant a reduction.

21. MR. SULLAM stated he felt the use of this product for the manufacture of candy or luxury items raised an important issue with regard to Resolution 7.

22. MR. MASTROMARINO said that with regard to the pastry-making industry, the problem was more complex than simply the price of sugar, because they also use flour which could be used for bread, and involved a number of workers and political questions. Therefore, decisions on the problem must come from a higher authority than the Food Commissariat.

23. MR. MENTIONE stressed the fact that it was important to establish a price immediately, as the demands were present and the corn syrup was available and the sugar was not.

24. MR. LUZZATTO stated he felt it would be best to fix the price to the direct consumers and to apply a temporary price to industry - then to revise these prices whenever it became necessary, bearing in mind the close relationship between the prices of sweeteners, which would influence the price of corn syrup. Also, if a proportion of corn syrup was used with sugar, the prices of products might be different. He added that the policy implication of corn syrup going into luxury items was a difficult

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19. MR. BOLINI reported that the Ministry of Industry had asked the High Commissariat for Food that amounts it wished to keep for direct feeding purposes, as the Ministry of Industry had received requests from various industries for the production of pharmaceutical items, soft drinks, mustard, and sweets, therefore, before settling quantities to be assigned to the various industries and prices for industry, it would be necessary to know the amount assigned for direct consumption.

20. MR. BOLINI added that there may be 3 different prices: one for sales direct to the consumer, one for industry in general, and another for industries of jams and marmalades, if the Treasury grants the reduction formerly given to industry on sugar. In the latter instance, it was mentioned that it was not expected that the Treasury would again grant a reduction.

21. MR. SULIANI stated he felt the use of this product for the manufacture of candy or luxury items raised an important issue with regard to Resolution 7.

22. MR. MASTROGIACOMO said that with regard to the pastry-making industry, the problem was more complex than simply the price of sugar, because they also use flour which could be used for bread, and involved a number of workers and political questions. Therefore, decisions on the problem must come from a higher authority than the Food Commissariat.

23. MR. RENZIONE stressed the fact that it was important to establish a price immediately, as the demands were present and the corn syrup was available and the sugar was not.

24. MR. LUZZATTO stated he felt it would be best to fix the price to the direct consumers and to apply a temporary price to industry - then to revise these prices whenever it became necessary, bearing in mind the close relationship between the prices of sweeteners, which would influence the price of corn syrup. Also, if a proportion of corn syrup was used with sugar, the prices of products might be different. He added that the policy implication of corn syrup going into luxury items was a difficult

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one and possibly special channels might have to be considered.

25. MR. BOLLINI pointed out that the sweets industry is permitted by law, and that glucose is used rather than sugar. Furthermore, it should be considered that the industry formerly employed 32,000 workers who have been idle for a long time.

26. MR. HOPKINS pointed out that there was a demand for corn syrup at present, which might not exist in the near future, and there was no reason for not fixing a price now which could be revised later.

MR. RYLANDER proposed the price as laid down in a paper presented one month ago of 35 lire per kilogram ex-communal warehouse.

27. MR. FOGLIETTI suggested that the price should be higher than 35 lire for industry.

28. MR. MASTROMARINO stated that, if the corn syrup is distributed as part of the ration, it would be necessary to take as the starting point the price of sugar and the percentage of sweetening power. However, if it was distributed to industry for use in making products whose prices are not controlled, or products which will only supplement the ration, it would be possible to raise the price a little more.

29. MR. MENTONNE suggested that since, on the basis of the sweetening power, the price would be 43 lire, 50 lire for industry was too high.

30. MR. FOGLIETTI countered that, if the sugar were distributed for rations, that consideration would be correct, as corn syrup is not a known product and the people would compare it unfavorably with sugar, etc., but if distributed to industry, who have bought other substitutes for sugar at a much higher price, 50 lire seemed a very low price.

31. It was reported that the pharmaceutical industry is asking for 1,000 tons of corn syrup for producing medicines, and that industry can charge a price high enough to enable it to pay the price established. There is also a 1500-ton request for syrup from makers of pleasure products, who charge sufficiently high prices to enable them to pay the price. The mustard producers also fall in this category.

32. MR. SULLAN stated that he was very concerned about the use of URSAL supplies for making of pop drinks and pleasure type products. However, MR. MENTONNE felt it would not be possible to use this corn syrup in a very different way, considering the low sweetening power and the characteristics of this product which is reported to be of poor quality.

33. MR. LUCARATTO said that, since these were not essential industries, the price of corn syrup should not be put too low at the sacrifice of the Lire Fund, which is meant for the welfare of

revised later.

MR. WYLANE proposed the price as laid down in a paper presented one month ago of 55 lire per kilogram ex-communal warehouse.

27. MR. FOGLIETTI suggested that the price should be higher than 55 lire for industry.

28. MR. CASTROMARINO stated that, if the corn syrup is distributed as part of the ration, it would be necessary to take as the starting point the price of sugar and the percentage of sweetening power. However, if it was distributed to industry for use in making products whose prices are not controlled, or products which will only supplement the ration, it would be possible to raise the price a little more.

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32. MR. SULLAN stated that he was very concerned about the use of UNICRA supplies for making of pop drinks and pleasure type products. However, MR. MENTONNE felt it would not be possible to use this corn syrup in a very different way, considering the low sweetening power and the characteristics of this product which is reported to be of poor quality.

33. MR. LUZZATTO said that, since these were not essential industries, the price of corn syrup should not be put too low at the sacrifice of the Lire Fund, which is meant for the welfare of

the country. MR. HOPKINS agreed.

Rec. No. 22, 34. It was then agreed that the price of corn syrup for industrial purposes be fixed at 50 lire per kilogram ex consignee's warehouse, and at 35 lire per kilogram for direct food consumption with controlled distribution. These prices will be valid up to the end of November 1946.

c) Composition Soling (see Doc. No. 28 & 26 A attached to Minutes of Fifth Meeting).

35. It was agreed to postpone discussion on this matter as it is part of the clothing problem.

c) Medical Supplies.

36. This item was postponed pending a report on excess medical supplies.

V. New items for price fixing.

a) Copra (Doc. No. 34).

37. MR. RYLANDER referred to the report on copra dated 26th August 1946 (Doc. No. 34).

38. MR. ROGLIETTI stated it was too early to fix a price for this item that was not used for direct consumption but was transformed, and the processing costs were not known at the present time.

39. MR. LUZZATTO agreed that it was premature to fix the price before the costs of processing are known, but he added that he was interested in the criteria establishing the relations between the prices of margarine, butter, olive oil, fats, etc., in the various regions.

40. MR. LASTROMAKING said that some experiments in processing have been made and results will be communicated shortly.

41. MR. HOPKINS asked if copra had not been imported before.

42. MR. SULLAM stated it had been imported up to 1936, but not for margarine.

43. MR. LANDSBERG suggested that it could be necessary to see what price the finished products could be sold at, then take processing costs, and only then could the price of the original product be arrived at.

44. MR. LUZZATTO proposed that the matter be referred to

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42. MR. SULLAM stated it had been imported up to 1936, but not for margarine.

43. MR. LANDSBERG suggested that it would be necessary to see what price the finished products could be sold at, then take processing costs, and only then could the price of the original product be arrived at.

44. MR. LUZZATTO proposed that the matter be referred to a technical sub-committee which should determine the transformation costs of copra. This was agreed by the Italian

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Government representatives, and the Sub-Committee will be convened by Messrs. VEDIRANE and MINZIONE (ACTION: UNRRA AND DELEGATION).

b) Denatured Alcohol (Doc. No. 35).

45. MR. DORKOVICH pointed out that the original 1000 tons, later reduced to 880 tons, were ordered to arrive in the first half of the year to tide over the Italian industry until domestic production could pick up. Unfortunately, it was delayed so long that, unless it is distributed quickly, it will compete with Italy's production, which will be in fairly large volume by October. He proposed the price of 200 to 220 lire per liter, which is 30 lire lower than the estimated price for alcohol in September. He added that this product is used mostly for miscellaneous pharmaceutical products and as a general solvent.

46. MR. BOLLINI of the Ministry of Industry stated that the present price of alcohol is 250 lire and is decreasing. Therefore, the price proposed was fairly high. Moreover, he continued, a letter from the Ministry of Finance stated that, since denatured alcohol was not included in the list of goods imported, they should pay the same custom rate as for pure alcohol and would have to be sold at the same price as pure alcohol. Under these conditions, however, denatured alcohol would not be sold.

47. It was pointed out that all UNRRA goods are custom free.

48. MR. DORKOVICH stressed the fact that the price should be set in order to get the product out of the warehouses by the end of September 1946 at the latest.

Rec. No. 23.49. It was then recommended, that the price for denatured alcohol should be fixed at 200 lire per liter ex consignee's warehouse (drums free).

c) Quebracho Extract. Postponed to the next meeting.

d) Newsprint.

50. MR. LUZZATTO reported that 5,000 kilos of newsprint had arrived, but that it was not on the UNRRA import program and it was not clear why it had been sent from Washington.

51. MR. LANDAUER stated that the Mission had called Washington for further information. It was agreed to await a reply from Washington before further discussion.

e) Blister Copper (Doc. No. 36).

52. MR. DORKOVICH reported that 20,000 tons had arrived - 17,000 of which have already been transformed. MR. DORKOVICH said that the present price of 85 lire per kilogram was acceptable to UNRRA, and proposed that a price between 80 and

large volume by October. He proposed the price of 200 to 220 lire per liter, which is 30 lire lower than the estimated price for alcohol in September. He added that this product is used mostly for miscellaneous pharmaceutical products and as a general solvent.

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53. MR. POGLIETTI said that since the Government lacked the elements for the production of copper sulphate, he would like to postpone the fixing of a price until October or November when more data would be available concerning the plans of the government regarding distribution.

54. MR. DOMKOVICH agreed that, since no immediate distribution is contemplated, it is not necessary to fix the price of blister copper now.

VI. Items to be re-examined.

- a) Forage - Forage (price expired July 31, 1946).
(See Dec. 5 attached to minutes of 11-26 meeting).

55. MR. SULLAM stated that the Sub-Bureau of Relief Supply proposed, that the price for forage pea seeds be continued until the 1st September.

Rec.No. 56. After some discussion it was agreed, that the present price of lire 25,000 per ton should be continued until the 15th of September.

57. It was agreed that "Timplote" should be discussed at the next meeting.

VII. Review of Status of preparatory work on POL prices.

58. It was agreed that the special sub-committee set up for this purpose should report on this subject, and UNRRA would convene it (ACTION: UNRRA, BUREAU OF R & D).

59. The meeting adjourned at 12.50 p.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)
Div. Progr. Coord. Statist. (Sub-Bur. of Supply Operat.)
Price Office - Bureau R & D
Spec. Ass't to COM (2)
Conference Secretariat (2)
Historical & Report Branch, attn. Mr. Ferris
Regional Directors (8)
Registry (2)
American Embassy - Mr. Leigh Hunt.

VI. Items to be re-examined.

- a) Forage - Per Seed (Price expired July 31, 1946).
(See Sec. 5 attached to minutes of first meeting).

56. MR. SULLIVAN stated that the Sub-Bureau of Relief Supply proposed, that the price for forage pea seeds be continued until the 1st September.

Rec.No.56. After some discussion it was agreed, that the present price of 14/- 25,000 per ton should be continued until the 15th of September.

57. It was agreed that "tinplate" should be discussed at the next meeting.

VII. Review of Status of preparatory work on POL prices.

58. It was agreed that the special sub-committee set up for this purpose should report on this subject, and UNRRA would convene it (ACTION: UNRRA, BUREAU OF A & D).

59. The meeting adjourned at 12.50 p.m.

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Conference Secretariat (2)
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American Embassy - Mr. Leigh Hunt.

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UNRRA - ITALIAN MISSION
CENTRAL DEPARTMENT

LINE FUND CONTROL COMMITTEE

Minutes of the Seventh Meeting
held at 10.00 am, 14 August, 1946

PRESENT FOR UNRRA:

Mr. Hodgetts	Deputy Chief of Mission and Chief, Bur. F & A
Mr. Hopkins	Finance Adviser (Line Fund) to C.F.A.
Mr. Travers	Senior Finance Officer, Office of Fin. Adv. (Line Fund)
Mr. Contini	Special Assistant to Chief of Mission
Mr. Pedinelli	Office of Spec. Ass't to Chief of Mission
Mr. Verdine	Price Office, Bur. R & D
Mr. Fowlings	Sub-Bur. of Ind. Rehab., Bur. R & D
Mr. Landsberg	Statistic & Commodity Account. Br., Bur. R & D

PRESENT FOR ITALIAN GOVERNMENT:

Mr. Alessandro	Italian Government Delegation
Mr. Toffeno	Ministry of the Treasury
Mr. Scheda	Italian Government Delegation
Mr. Borgiani	ICE
Mr. Belluco	ICE

AGENDA

1. Approval of Minutes of previous meeting.
2. (a) Request for additional appropriation for processing of cotton for assistance programs;
(b) Request for additional appropriation for processing of medical cotton;
(c) Request for additional appropriation for processing of cotton thread.
3. Allocation of Lit. 1,650,000,000 for manufacture and distribution of cotton textiles.
4. Report of UNRRA Mission on distribution costs of grain, flour and codfish.
5. Approval of the Delegation's Budget.
6. Any other business.

Mr. Hodgetts Deputy Chief of Mission and Chief, Bur. F & A
 Mr. Hopkins Finance Adviser (Live Fund) to C.F.A.
 Mr. Travers Senior Finance Officer, Office of Fin. Adv.
 (Live Fund)
 Mr. Contini Special Assistant to Chief of Mission
 Mr. Pedinelli Office of Spec. Ass't to Chief of Mission
 Mr. Verdine Price Office, Bur. R & D
 Mr. Fowling Sub-Bur. of Ind. Rehab., Bur. R & D
 Mr. Landenberg Statistic & Commodity Account. Br., Bur. R & D

PRESENT FOR ITALIAN GOVERNMENT:

Mr. Alessandro Italian Government Delegation
 Mr. Foffano Ministry of the Treasury
 Mr. Schoda Italian Government Delegation
 Mr. Borrianni ICE
 Mr. Belluco ICE

AGENDA

1. Approval of Minutes of previous meeting.
2. (a) Request for additional appropriation for processing of cotton for assistance programs;
 (b) Request for additional appropriation for processing of medical cotton;
 (c) Request for additional appropriation for processing of cotton thread.
3. Allocation of Lit. 1,650,000,000 for manufacture and distribution of cotton textiles.
4. Report of UNRRA Mission on distribution costs of grain, flour and codfish.
5. Approval of the Delegation's Budget.
6. Any other business.

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UNRRA - ITALIAN MISSION

MINUTES OF THE SEVENTH MEETING OF THE
LIRE AND CONTROL COMMITTEE.

I. Approval of minutes of previous meeting.

1. MR. HODGETTS opened the meeting, asking whether there were any points for discussion on the minutes of the previous meeting.

2. MR. SCHEDA referred to paragraph 29, which gave the total appropriations from the Lire Fund through August as 769,000,000 lire. He pointed out that from this figure there should be deducted the sums cashed by the Federazione Consorzi Agrari for sale of wheat during 1945.

3. It was agreed that paragraph 29 should be amended to read: -

" the total appropriations would therefore amount to 769,000,000 lire through August, from which would be deducted certain sums for grain sold in 1945 by Federazioni Consorzi Agrari."
(ACTION: SECRETARIAT).

4. There being no other comments or objections, the minutes of the sixth meeting were approved.

- II. (a) Request for additional appropriation for processing of cotton for assistance programs.
(b) Request for additional appropriation for processing of medical cotton.
(c) Request for additional appropriation for processing of cotton thread.

5. MR. HODGETTS said that the documents in relation to these appropriations had been received late on 12 August and were being translated. He was therefore not yet in a position to discuss any of these three points.

6. It was agreed to postpone this item until the next meeting.

III. Allocation of Lit. 1,550,000,000 for manufacture and distribution of cotton textiles (Doc. No. 19).

7. MR. HODGETTS said that MR. SPENY and MINISTER CORBINI had agreed to the following recommendation, which was

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there were any points for discussion on the minutes of the previous meeting.

2. MR. SCHENA referred to paragraph 29, which gave the total appropriations from the Lire fund through August as 769,000,000 lire. He pointed out that from this figure there should be deducted the sums cashed by the Federazione Consorzi Agrari for sale of wheat during 1945.

3. It was agreed that paragraph 29 should be amended to read: -

" the total appropriations would therefore amount to 769,000,000 lire through August, from which would be deducted certain sums for grain sold in 1945 by Federazione Consorzi Agrari."

(ACTION: SECRETARIAT).

4. There being no other comments or objections, the minutes of the sixth meeting were approved.

- II. (a) Request for additional appropriation for processing of cotton for assistance programs.
(b) Request for additional appropriation for processing of medical cotton.
(c) Request for additional appropriation for processing of cotton thread.

5. MR. HODGETTS said that the documents in relation to these appropriations had been received late on 12 August and were being translated. He was therefore not yet in a position to discuss any of these three points.

6. It was agreed to postpone this item until the next meeting.

III. Allocation of Lit. 1,650,000,000 for manufacture and distribution of cotton textiles (Doc. No. 19).

7. MR. HODGETTS said that MR. ARNEY and MINISTER CORBINO had agreed to the following recommendation, which was

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now presented for information to the Lire Fund Control Committee. He added that HCV. MONTINI had also given his approval.

8. The text of the recommendation as per letter dated August 6th, 1946 (attached Doc.No.19), is as follows:

"It is recommended that the Joint Committee be requested:

- " (a) To agree, in principle only at this stage, that the Lire Fund will grant a repayable loan for financing the manufacture and distribution of finished textiles, to be made from 51,000 tons of raw cotton which is being imported by UNRAA in the 1946 Supply Program. While no firm sum is being requested at the moment, it is anticipated that this loan will need to be about 3,000,000,000 lire.
- " (b) To make a preliminary allocation of Lire 1,650,000,000 to finance the immediate manufacture of approximately 3,000 tons of cotton. This allocation would be repayable to the Lire Fund and would be a first installment of the total loan to which reference is made in (a) above."

9. MR. HODGETTS stated that this sum represented a loan which will have to be repaid to the Lire Fund over a period of nine months. He also proposed that, since no Committee had yet been formed to handle this plan, the payment should be made to the Delegation, which will keep in trust this money pending establishment of a committee for the allocation and distribution of textiles. A precedent for this procedure was stated to be the Malaria program in Sardinia.

10. MR. D'ALESSANDRO said he was authorized to sign documents on behalf of HCV. MONTINI, and MR. HODGETTS confirmed that he had complete Power of Attorney from MR. VERNY.

11. MR. HODGETTS said that MR. HOPKINS had raised the question of a guarantee that the loan would be repaid; he suggested that some formal guarantee be given by the Committee operating the plan, and that the guarantee should be backed up by the Ministry of Industry & Commerce.

12. MR. D'ALESSANDRO said that the Ministry of Industry & Commerce promoted the operation and fixed regulations to govern it, but could not subscribe to any guarantee. He furthermore stated that the proposed Committee will have to be bound by certain rules which will ensure that this sum will be repaid to the Lire Fund.

financing the manufacture and distribution of finished textiles, to be made from 31,000 tons of raw cotton which is being imported by UNRRA in the 1948 Supply program. While no firm sum is being requested at the moment, it is anticipated that this loan will need to be about 3,000,000,000 lire.

(b) To make a preliminary allocation of Lire 1,650,000,000 to finance the immediate manufacture of approximately 8,000 tons of cotton. This allocation would be repayable to the Lire Fund and would be a first installment of the total loan to which reference is made in (a) above."

9. MR. HODGETTS stated that this sum represented a loan which will have to be repaid to the Lire Fund over a period of nine months. He also proposed that, since no Committee had yet been formed to handle this plan, the payment should be made to the Delegation, which will keep in trust this money pending establishment of a committee for the allocation and distribution of textiles. A precedent for this procedure was stated to be the malaria program in Sardinia.

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11. MR. HODGETTS said that MR. HOPKINS had raised the question of a guarantee that the loan would be repaid; he suggested that some formal guarantee be given by the Committee operating the plan, and that the guarantee should be backed up by the Ministry of Industry & Commerce.

12. MR. D'ALESSANDRO said that the Ministry of Industry & Commerce promoted the operation and fixed regulations to govern it, but could not subscribe to any guarantee. He furthermore stated that the proposed Committee will have to be bound by certain rules which will ensure that this sum will be repaid to the Lire Fund.

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13. MR. HODGETTS said, that the Minister of the Treasury had approved the scheme in writing. He therefore suggested that this question be referred to the Treasury, which should ensure that the loan be repaid, and determine the procedure for repayment.

14. MR. D'ALESSANDRO said that not all the manufactured goods would be sold. A percentage would be used for public assistance, and that percentage should not be handled by the new Committee, but by the Delegation in accordance with the usual procedure.

15. MR. HODGETTS said, this point was not within the competence of the Lire Fund Control Committee to discuss. The arrangement was made by UNRRA in conjunction with the Ministry of Industry & Commerce, and this Committee could not alter the arrangement because the sum involved was not an expenditure from the Lire Fund, but a loan.

16. MR. HODGETTS emphasized that the most important point was, that the 1,650,000 Lire should be made immediately available.

17. MR. HODGETTS proposed that the Committee agree on the following points:

(a) The Committee formally takes note of the agreement reached by the two Chairmen, as formulated in para 8 above;

(b) The Committee recommended that the amount of 1,650,000 Lire be paid initially to the Delegation, acting as trustee for an organization which will be established for the purpose of handling the manufacture and distribution of finished textiles, to be made from 31,000 tons of raw cotton being imported by UNRRA under the 1946 program.

18. A third point was suggested by MR. D'ALESSANDRO, that further payments to the Committee should be subordinated to the presentation of a plan which would guarantee the repayment of the loan.

19. MR. FONTANO said that the Committee should concern itself with the way in which the loan would be repaid to the Lire Fund.

20. MR. HODGETTS pointed out that the power of the two Chairmen was final, whereas the Lire Fund Control Committee was an advisory body. The Committee, he said, could make recommendations, but the two Chairmen might not agree. MR. HODGETTS suggested that the third point should read:

1167

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16. MR. HODGETTS emphasized that the most important point was, that the 1,650,000,000 Lire should be made immediately available.

17. MR. HODGETTS proposed that the Committee agree on the following points:

(a) The Committee formally takes note of the agreement reached by the two Chairmen, as formulated in para 8 above;

(b) The Committee recommended that the amount of 1,650,000,000 Lire be paid initially to the Delegation, acting as trustee for an organization which will be established for the purpose of handling the manufacture and distribution of finished textiles, to be made from 31,000 tons of raw cotton being imported by UNRRA under the 1946 program.

18. A third point was suggested by MR. D'ALESSANDRO, that further payments to the Committee should be subordinated to the presentation of a plan which would guarantee the repayment of the loan.

19. MR. FORTANO said that the Committee should concern itself with the way in which the loan would be repaid to the Lire Fund.

20. MR. HODGETTS pointed out that the power of the two Chairmen was final, whereas the Lire Fund Control Committee was an advisory body. The Committee, he said, could make recommendations, but the two Chairmen might not agree. MR. HODGETTS suggested that the third point should read:

"(c) This Committee would be interested to learn what guarantees will be made that the loan will be repaid".

21. It was then agreed that:

Inasmuch as the Lire Fund Control Committee had formally taken note of the agreement reached by the two Chairmen for the allocation of a sum of 1,500,000,000 lire to finance the immediate manufacture of approximately 8,000 tons of cotton, and as this sum only represents a loan to be repaid into the Lire Fund,

The Lire Fund Control Committee recommends that:

(a) A sum of Lire 1,650,000,000 shall be allocated to the Italian Delegation, acting as trustee for an organization which will be established for the purpose of handling the manufacture and distribution of finished textiles, to be made from 31,000 tons of raw cotton being imported by UFFRA under the 1946 program;

(b) that the Lire Fund Control Committee be informed of the guarantees which will be made to ensure that the loan will be repaid into the Lire Fund.

REC. No. 7

IV. Report of UFFRA Mission on distribution costs of grain, flour and codfish.

22. MR. HOPKINS said the Mission was still considering these costs and would like to postpone discussion on this item.

23. MR. HODGETTS suggested it be dealt with at the next meeting.

24. MR. FORTANO proposed that, pending the examination of these distribution costs and in consideration of the fact that the Federazione Consorzi Agrari had stopped payments to the Lire Fund, the Federazione should be asked to make payments on account of about 75% of the total sum due.

25. MR. HOPKINS said that the examination would be completed in two or three days, and probably a new procedure would then be set up which the Federazione Consorzi Agrari would be asked to observe. He added that he did not wish to prejudice future findings of the Sub-Committee with advance payments, and since the settlement of a sum on account might prejudice them, he would prefer that no action should be taken on Mr. FORTANO's proposal.

The Lire Fund Control Committee recommends that:

REC. No. 7

- (a) A sum of Lire 1,650,000,000 shall be allocated to the Italian Delegation, acting as trustee for an organization which will be established for the purpose of handling the manufacture and distribution of finished textiles, to be made from 31,000 tons of raw cotton being imported by UNRRA under the 1946 program;
- (b) that the Lire Fund Control Committee be informed of the guarantees which will be made to ensure that the loan will be repaid into the Lire Fund.

IV. Report of UNRRA Mission on distribution costs of grain, flour and codfish.

22. MR. HOPKINS said the Mission was still considering these costs and would like to postpone discussion on this item.
23. MR. HODGETTS suggested it be dealt with at the next meeting.
24. MR. FORTANO proposed that, pending the examination of these distribution costs and in consideration of the fact that the Federazione Consorzi Agrari had stopped payments to the Lire Fund, the Federazione should be asked to make payments on account of about 75% of the total sum due.
25. MR. HOPKINS said that the examination would be completed in two or three days, and probably a new procedure would then be set up which the Federazione Consorzi Agrari would be asked to observe. He added that he did not wish to prejudice future findings of the Sub-Committee with advance payments, and since the settlement of a sum on account might prejudice them, he would prefer that no action should be taken on Mr. FORTANO's proposal.

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26. MR. HODGETTS supported MR. HOPKINS' request. He added that, if it was a matter of immediate concern to the Treasury, a meeting could be called of those members of the Committee most directly concerned, before the next meeting of the Lire Fund Control Committee.

27. MR. PORFANO agreed to this proposal, and it was agreed that MR. SEMOLA, MR. DELLA NEGRA, MR. BLANCHINI and MR. BORGIANI for ICE, and one senior representative of the Treasury, possibly MR. PORFANO, would attend the meeting. MR. HODGETTS said that MR. CONTINI would call the meeting, in agreement with A. MELLINI (ACTION: SECRETARIAT).

V. Approval of the Delegation's budget.

28. MR. HODGETTS said, that at the present meeting no more than approval in principle could be given to the Delegation's budget. MR. HODGETTS said there were various reasons for this, and added that he was particularly concerned about the relationship between the amounts budgeted for and the actual expenditures. For example, the budget from 1 April to 30 September 1945 amounted to about 694 million lire, but actual expenditures had been only approximately 120 million lire. From 1 October 1945 to 31 March 1946 the budget was for 946 million lire and actual expenditures only 147 million. From 1 April 1946 to 30 September 1946 the budget was for 1,345,000,000 lire, and actual expenditures from 1 April to the end of July 1946 only 383 million.

29. MR. HODGETTS said that the budget appeared to be unduly inflated. He pointed out that the effect of over-budgeting was disastrous, because it tied unnecessarily funds which could be used for some other purpose. He explained that, when a budget was approved, this automatically tied up the amount of the budget until the end of the period for which the budget had been prepared.

30. In view of the seriousness of this point, MR. HODGETTS said he wished to examine the present budget in particular detail, and for this reason he recommended that the budget be approved in principle, and detailed approval be postponed to another meeting, after careful examination.

31. MR. HODGETTS suggested that a budget official from the Delegation explain to MR. HOPKINS, COL. WATERS and himself, how the present state of affairs had arisen.

32. MR. D'ALESSANDRO said he would send MR. ASTENGO of the Delegation, and asked when the meeting would take place.

33. MR. HODGETTS said that, when COL. WATERS returned from London in two or three days time, MR. CONTINI would get in touch with MR. ALESSANDRO to arrange the meeting (ACTION: SECRETARIAT).

1466

V. Approval of the Delegation's budget.

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32. MR. D'ALESSANDRO said he would send MR. ASTENGO of the Delegation, and asked when the meeting would take place. 1466

33. MR. HODGETTS said that, when COL. WATERS returned from London in two or three days time, MR. COMPTON would get in touch with MR. ALESSANDRO to arrange the meeting (ACTION: SECRETARIAT).

REC. NO. 8.

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34. It was then agreed that the Delegation's budget for the period 1st April - 30th September 1946, be approved in principle, subject to further detailed examination.

35. There being no other business to discuss, the meeting rose at 1.10.

DISTRIBUTION:

All those present
Chief of Mission
Industrial Adviser
Legal Adviser
Public Information
Div. of Operational Analysis
Reports & Statist. Branch - Mr. Ferris (2)
Bureau R & D (2)
" T & A (2)
" R & S (2)
Prog. Coord. & Statist. - S/B of Supply Oper.
Price Office - Bur R & D
Special Ass't to C o M (2)
Conference Secretariat (2)
American Embassy - Mr. Hunt
Regional Directors (9)
Registry (2)

CM 6785

UNRRA - ITALIAN MISSION
Central Secretariat

PRICE COMMITTEE

Minutes of the Seventh Meeting
held at 10.00 a.m., 24 August 1946.

PRESENT FOR UNRRA:

Mr. Cleveland	Deputy Chief of Mission, Bur. R & D
Mr. Landsberg	R & D, Program Coord. & Statistics
Mr. Verdirame	R & D, Program Coord. & Statistics
Mr. Durie	R & D, Sub-Bur. of Relief Supply, Ass't Chief
Mr. Rogers	R & D, Sub-Bur. of Relief Supply, Liais. Officer
Mr. Sullam	R & D, Sub-Bur. of Relief Supply, Anal. Sect.
Mr. Koeller	R & D, Sub-Bur. of Relief Supply, Agriculture
Mr. Rembert	R & D, Sub-Bur. of Ind. Rehab., Ass't Chief
Mr. Florio	R & D, Sub-Bur. of Ind. Rehab., Chemicals
Mr. Rylance	R & D, Sub-Bur. of Ind. Rehab., Food Processing
Mr. Farmer	R & D, Sub-Bur. of Ind. Rehab., Engineer & Power
Mr. Bingham	R & D, Sub-Bur. of Ind. Rehab., Div. of Fuels
Mr. Russell	R & D, Sub-Bur. of Ind. Rehab., Coal Branch
Mr. d'Ayala Valva	R & D, Sub-Bur. of Ind. Rehab.
Mr. La Penna	Office of Spec. Ass't to Chief of Mission
Mr. Hopkins	Financial Adviser (Lire Fund)
Mr. Orpen	Ass't Financial Adviser (Lire Fund)
Mr. Archer	DCU - ERO

PRESENT FOR ITALIAN GOVERNMENT:

Mr. Foglietti	Interministerial Committee on Prices
Mr. Della Negra	Italian Delegation with UNRRA
Mr. Martini	Italian Delegation with UNRRA
Mr. Marini	Italian Delegation with UNRRA
Mr. Pellegrini	High Commissariat of Food
Mr. Polacco	High Commissariat of Food
Mr. Robustelli	High Commissariat of Food
Mr. Foffano	Ministry of Treasury
Mr. Piazzoni	Ministry of Industry & Commerce
Mr. Dabbene	Ministry of Industry & Commerce
Mr. Padellaro	Ministry of Industry & Commerce
Mr. Genzini	Ministry of Industry & Commerce
Mr. Petronio	Ministry of Agriculture
Mr. Colombo	Ministry of Foreign Trade
Mr. Tosarelli	Ministry of Foreign Trade
Mr. Vallaro	Ministry of Foreign Trade

UNRRA - ITALIAN MISSION
Central Secretariat

PRICE COMMITTEE

Minutes of the Seventh Meeting
held at 10.00 a.m., 24 August 1946.

A G E N D A :

- I. Approval of minutes of 6th Meeting.
- II. Report of Agricultural Sub-Committee on Distribution Costs of Agricultural Items.
- III. Report of Special Sub-Committee on Copra.
- IV. Report of Chemical Sub-Committee on Coal Tar Chemicals.
- V. New Items for Price Fixing:

a) Copra	g) Bitumen
b) Nickel	h) Three Bottom Plows
c) Tinplate	i) Basic Slag
d) Pig Tin	j) Zinc Phosphide
e) Opencast Coal	k) Red Clover Seed
f) Coal Tar Chemicals	
- VI. Prices to be re-examined:

a) Howers {Price expired August 15th, 1946}
b) Plows {Price expired August 15th, 1946}
- VII. Any other business.

CM 6901

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1. The meeting was opened by MR. CLEVELAND who introduced the first item on the Agenda.

I. Approval of minutes on the 6th Meeting.

2. MR. VERDIRAME said there was one clarification to be made in para 5; in the final sentence "larded" cost should be amended to read "total" cost in both cases (ACTION: SECRETARIAT).

3. This amendment was approved and, there being no further comments or objections, the minutes of the 6th Meeting were approved.

II. Report of Agricultural Sub-Committee on Distribution Costs of Agricultural Items. (Doc. No. 37. See also Doc. No. 24 attached to minutes of 6th Meeting).

4. MR. CLEVELAND pointed out that this item had been brought forward from the previous meeting, and he asked MR. SULLAM to report on it.

5. MR. SULLAM stated that at the last meeting UNRRA had furnished to the Italian Government a detailed statement of distribution charges which were justified later by supporting documents. MR. SULLAM asked what the reaction of the Government was to that report.

6. MR. FOGLIETTI said that, in the last meeting, he had asked for a detailed list of handling charges in order to compare them with the list of general charges, but that he had not yet received it.

7. MR. CLEVELAND explained that this list was attached to the report of the Agricultural Sub-Committee, which was transmitted to the Delegation for distribution to the Government more than two weeks ago. The discussion on this item had been postponed at the last meeting, at the Delegation's request, on the grounds that the document required further study on the part of the Government.

8. MR. CLEVELAND asked whether it was MR. FOGLIETTI's suggestion that this item be again postponed until the next meeting, and MR. FOGLIETTI confirmed that it was.

9. MR. DELLA NICOLA enquired whether decisions taken by the Price Committee were to be considered as final also with regard to the Lire Fund Control Committee.

10. MR. CLEVELAND pointed out that the determination (as stated in an official document already approved by the Committee in a previous meeting) was, that the Price Committee would set three figures for each commodity:

3. This amendment was approved and, there being no further comments or objections, the minutes of the 6th meeting were approved.

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9. MR. DELLA NIGRA enquired whether decisions taken by the Price Committee were to be considered as final also with regard to the Lire Fund Control Committee.

10. MR. CLEVELAND pointed out that the determination (as stated in an official document already approved by the Committee in a previous meeting) was, that the Price Committee would set three figures for each commodity:

- (a) a total price, to the first consumer;
- (b) distribution costs, which were included in (a);
- (c) the amount to be paid into the Lire Fund, being the difference between a) and b).

The figure set by the Price Committee, MR. CLEVELAND explained represented an estimate of what the handling charges would be. Should the Federazione Consorzi Agrari find that the costs were actually higher, or the Government find them lower, then the amount established by the Price Committee would be adjusted accordingly by the Lire Fund Control Committee.

11. MR. FOGLIETTI proposed that approval or comments on the actual charges submitted by the Sub-Committee, be postponed until the next meeting. The Committee should now proceed to discuss only para 5) of the Sub-Committee's summary report, with a view to deciding whether it was advisable to have a single percentage mark-up for all commodities in the UNRRA program, or rather to fix different percentages for individual items, or for groups of commodities.

12. After some discussion, MR. CLEVELAND said that three problems had to be considered: general expenses, handling charges and remuneration. It is the responsibility of the Price Committee to consider general expenses and handling charges, while the examination of the remuneration rests with a Sub-Committee of the Lire Fund Control Committee. In summing up, MR. CLEVELAND said that there were three alternatives:

- (a) to establish a general percentage for all commodities in the UNRRA program;
- (b) to establish a percentage, which might be called "mark-up" only for the administrative overhead, leaving the operating expenses to be determined for each commodity;
- (c) to establish no general charge, but to determine, both actual operating expenses and administrative overhead on a commodity by commodity basis.

13. Referring to point b), MR. DELLA NEGRA quoted as a precedent the imports under A.C. program. The Federazione Consorzi Agrari had handled these imports on behalf of the Government, and the Government had agreed that out of proceeds of sale of imported commodities the Federazione should retain 25% to cover their expenditures, subject to subsequent detailed control on the part of the Government. MR. DELLA NEGRA stated that after two years this control system had only started to be put into effect.

14. MR. HOPKINS objected, saying that, once the administrative expenses of the Federazione had been established and this would include their remuneration for acting as agents for the Government, a percentage could then be determined for overheads over the program being handled, and the general operating expenses could be determined in broad categories.

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- (a) to establish a general percentage for all commodities in the UNRRA program;
- (b) to establish a percentage, which might be called "mark-up" only for the administrative overhead, leaving the operating expenses to be determined for each commodity;
- (c) to establish no general charge, but to determine both actual operating expenses and administrative overhead on a commodity by commodity basis.

13. Referring to point b), MR. DELLA NUCCA quoted as a precedent the imports under A.C. program. The Federazione Consorzi Agrari had handled these imports on behalf of the Government, and the Government had agreed that out of proceeds of sale of imported commodities the Federazione should retain 25% to cover their expenditures, subject to subsequent detailed control on the part of the Government. MR. DELLA NUCCA stated that after two years this control system had only started to be put into effect.

14. MR. HOPKINS objected, saying that, once the administrative expenses of the Federazione had been established and this would include their remuneration for acting as agents for the Government, a percentage could then be determined for overheads over the program being handled, and the general operating expenses could be determinable in broad categories of commodities.

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15. MR. CLEVELAND asked the Committee to consider alternative (b) above. He suggested that a "working party" be formed to establish a general percentage to cover overhead administrative charges of the Federazione for all commodities, leaving all other costs (distribution, handling, transport etc.) to be determined commodity by commodity.

16. MR. CLEVELAND said this would mean that the figure for distribution costs would be made up of two parts - one the standard percentage and the other the actual operating costs and fiscal charges, which would vary according to the type of commodity, transport etc. The total distribution costs would then be deducted from the set price to the first consumer, to ascertain the amount which should be paid into the Lire Fund.

17. MR. FOGLIETTI's suggestion that the percentage decided upon be applied on the final price (this being the only firm figure), was agreed.

18. It was agreed that the "working party" to determine a percentage should comprise MR. SULLAM, MR. LANDSBERG and MR. HOPKINS on behalf of UNRRA, and representatives of the Inter-Ministerial Committee for Prices, the Ministry of the Treasury, the Ministry of Agriculture, the High Commissariat for Food and the Italian Delegation on behalf of the Italian Government. The Federazione Consorzi Agrari should be called upon to discuss certain points with this group (ACTION: R & D AND ITALIAN GOVERNMENT).

19. MR. CLEVELAND asked MR. LANDSBERG to get in touch with MR. FOGLIETTI to arrange a meeting of the group.

III. Report of Special Sub-Committee on Copra.

20. MR. RYLAND reported that the Special Sub-Committee on copra would hold its first meeting on 29th August, when two technicians from firms processing the copra would be present, and a sample of the margarine being manufactured would be examined. After this meeting, the Sub-Committee would be in a position to recommend a price for the margarine.

21. MR. CLEVELAND suggested that the Sub-Committee on copra should meet earlier, if possible.

22. It was agreed to postpone this item until the next meeting. (ACTION: SECRETARIAT).

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IV. Report of Chemical Sub-Committee on Coal Tar Chemicals. (Doc. No. 38 & 39).

23. MR. CLEVELAND stated, that the Chemical Sub-Committee met for the first time yesterday, and had recommended the following prices:

16. MR. CLEVELAND said this would mean that the figure for distribution costs would be made up of two parts - one the standard percentage and the other the actual operating costs and fiscal charges, which would vary according to the type of commodity, transport etc. The total distribution costs would then be deducted from the set price to the first consumer, to ascertain the amount which should be paid into the Lire Fund.

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22. It was agreed to postpone this item until the next meeting. (ACTION: SECRETARIAT).

IV.

Report of Chemical Sub-Committee on Coal Tar Chemicals. (Doc. No. 38 & 39).

23. MR. CLEVELAND stated, that the Chemical Sub-Committee met for the first time yesterday, and had recommended the following prices:

Benzol industrial	55 lire per kilo
Benzol nitration grade	60 lire per kilo
Toluol	75 lire per kilo.

24. Upon MR. CLEVELAND's request, MR. FLORIO emphasized that, while 77 benzol was distributed in drums, the UNRRA benzol is imported in bulk. Therefore, handling charges had to be increased from 6 to 10 lire, so as to cover the expenses incurred in transferring the fuel from tanks into drums.

25. MR. CLEVELAND suggested that, as the distribution costs of this commodity were not fixed, this item be referred back to the Sub-Committee for examination.

26. MR. DELLA NEGRA pointed out that an agreement on these prices should be reached immediately, due to the urgent need of this commodity on the market.

27. After some discussion, the following prices for benzol were agreed upon:

Benzol industrial 55 lire per kilo
Benzol nitration grade 60 lire per kilo.

28. It was also agreed that the price for Toluol be fixed at lire 75 per kilo.

Furthermore, it was decided that the question of determination of distribution costs on this commodity be referred back to the Chemical Sub-Committee.

29. MR. GENZINI stated that two shiploads of this commodity had arrived instead of one, and enquired whether the price agreed upon applied to both shipments.

30. MR. CLEVELAND confirmed that the prices agreed upon apply to all UNRRA shipments of this commodity.

V. New Items for Price Fixing:

(a) Copra	(g) Bitumen
(b) Nickel	(h) Three Bottom Plows
(c) Tinplate	(i) Basic Slag
(d) Pig Tin	(j) Zinc Phosphide
(e) Opencast Coal	(k) Red Clover Seed.
(f) Coal Tar Chemicals	

31. MR. CLEVELAND pointed out that copra (item a) and coal tar chemicals (item f) had already been discussed.

32. Upon MR. CLEVELAND's suggestion, it was agreed to postpone to the next meeting the discussion on nickel (item b), pig tin (item d) and bitumen (item g). (ACTION: SECRETARIAT).

33. Discussion on basic slag (item i), zinc phosphide (item j) and red clover seed (item k) was also postponed at the request of the Italian Government representatives, who were still examining the matter (ACTION: ITALIAN GOVERNMENT).

REC.NO.25

REC.NO.26

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REC. NO. 25

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V. New Items for Price Fixing:

(a) Copra	(g) Bitumen
(b) Nickel	(h) Three Bottom Plows
(c) Timpate	(i) Basic Slag
(d) Pig Tin	(j) Zinc Phosphide
(e) Opencast Coal	(k) Red Clover Seed.
(f) Coal Tar Chemicals	

31. MR. CLEVELAND pointed out that copra (item a) and coal tar chemicals (item f) had already been discussed.

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33. Discussion on basic slag (item i), zinc phosphide (item j) and red clover seed (item k) was also postponed at the request of the Italian Government representatives, who were still examining the matter (ACTION: ITALIAN GOVERNMENT).

(c) Timpate. (Doc.No.40).

34. MR. FOGLIETTI requested that the price of timpate be fixed after the price of pig tin is established, the latter being used in

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the manufacture of tinsplate.

35. MR. CLEVELAND pointed out that the percentage of pig tin employed in the production of tinsplate is only 2%, and the price of pig tin should not influence the price of tinsplate.

36. MR. BINGHAM explained that the UNRRA program called for the supply of 4,000 tons of tinsplate under the 1946 program, of which only 500 tons had arrived. The food processing industry, MR. BINGHAM added, required 21,100 tons for the canning of 325,000 tons of food. Therefore it became evident that the fullest possible use must be made of the Italian tinsplate manufacturing industry, in order to supply the balance over and above the UNRRA - programmed tin.

37. To that end, MR. BINGHAM continued, UNRRA had conducted field surveys and cost analyses throughout the Italian tinsplate industry. Taking into consideration the limited amount of hard coal available, it was not possible for tinsplate to be manufactured with a reasonable amount of profit to the manufacturers, at a figure less than 100 lire per kilo. This figure was therefore recommended to the Government also as a controlled price of domestically produced tinsplate.

38. MR. FOGLIETTI said it was difficult to ascertain the cost of production, because the manufacturers had not been working in the past few years. However, in view of the fact that the food processing industries were willing to pay 100 lire per kilo, he agreed that imported tinsplate should be priced at this figure. He felt that the tinsplate manufacturers would not agree to this price, but would probably accept a price of 105 lire per kilo. Therefore he suggested that the controlled price of domestically produced tinsplate should be about 105 lire per kilo.

39. MR. BINGHAM pointed out that the 100 lire figure was arrived at after examining the manufacturers' own costing analyses.

40. MR. CLEVELAND stated that the Committee had no formal jurisdiction over the internal prices of local production. Therefore, if the price of UNRRA - imported tinsplate was agreed on, he suggested the matter be dropped, and that a copy of MR. BINGHAM's report be made available to the Government as soon as possible, for their information.

REC.NO. 41. After some discussion, the price of 100 lire per kilo for UNRRA - imported tinsplate, F.O.B. seller's warehouse, was agreed. 161
27.

(e) Opencast Coal. (Doc.No.41).

42. MR. CLEVELAND said this was very poor quality coal imported from England, and the Coal Committee recommended that it be sold at a price 30% lower than the basic price of other coal.

REC.NO. 43. After some discussion on the calorific value of opencast coal, it was agreed that the price for opencast coal be fixed at lire 2,450 per ton.
28.

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(e) Opencast Coal. (Doc.No.41).

42. MR. CLEVELAND said this was very poor quality coal imported from England, and the Coal Committee recommended that it be sold at a price 30% lower than the basic price of other coal.

REC.NO. 43. After some discussion on the calorific value of opencast coal, 28. it was agreed that the price for opencast coal be fixed at lire 2,450 per ton.

(h) Three Bottom Plows (Doc.No.42).

44. MR. CLEVELAND confirmed that the price should be set in the same way as for a two bottom plow, on the basis of weight, and said he thought the price of three bottom plows had already been agreed with the Ministry of Agriculture.

REC.NO.
29.

45. It was agreed that the price for three bottom plows be fixed at lire 80,000 each, F.O.B. seller's warehouse.

VI. Prices to be re-examined:

- (a) Mowers (Price expired August 15th 1946)
- (b) Plows (Price expired August 15th 1946).

(a) Mowers.

46. MR. KOELLER pointed out, that the season in which mowers were of use, is past. It was, therefore, agreed to let the price on mowers lapse until they were seasonably needed again, at which time a new price could be fixed.

(b) Plows.

47. After some discussion it was agreed, that the price of two bottom plows, which expired on August 15th 1946, be confirmed at lire 55,000 each, F.O.B. seller's warehouse.

REC.NO.
30.

VII. Any other business.

(a) Quebracho Extract.

48. MR. CLEVELAND, referring to item V (c) on the Agenda of the Committee's 6th Meeting, said that, as quebracho extract was part of the hides program now under discussion between the Government and UNRRA, he suggested that this item be dropped from the Committee's agenda for the time being. This was agreed.

(b) Cotton Program (Doc.No.44).

49. MR. CLEVELAND said, some prices for processing cotton had already been set in discussions between the Government and UNRRA outside the Price Committee. Instead of re-opening discussions, he added, the Price Committee should ratify and include in its records the documents on the cotton program signed by the representatives of UNRRA and the Ministries.

50. MR. FOGLIETTI agreed with MR. CLEVELAND's suggestion.

51. MR. CLEVELAND stated that a Committee would be appointed in order to deal with all problems relating to the distribution of cotton textiles, and that all basic determinations and recommendations on prices would be submitted to the Price Committee.

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- (a) Mowers (Price expired August 15th 1946)
(b) Plows (Price expired August 15th 1946).

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(b) Plows.

47. After some discussion it was agreed, that the price of two bottom plows, which expired on August 15th 1946, be confirmed at lire 55,000 each, F.O.B. seller's warehouse.

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51. MR. CLEVELAND stated that a Committee would be appointed in order to deal with all problems relating to the distribution of cotton textiles, and that all basic determinations and recommendations in prices would be submitted to the Price Committee.

- 7 -

(c) Wheat. (Doc.No.43).

52. MR. CLEVELAND pointed out, that this item had already been discussed and that it was agreed to maintain the price of UNRRA - imported wheat on the same level as nationally produced wheat. Therefore, when the new price of wheat for the "amassi" came into effect, it automatically became applicable to UNRRA - imported wheat. Two consideration, MR. CLEVELAND added, still remained to be made:

- 1) the average price to be adopted;
- 2) the date on which the new UNRRA price shall be effective.

MR. CLEVELAND suggested that a Sub-Committee or group be appointed, in order to study the above points and report to the Committee at its next meeting.

53. MR. TOFFANO asked that this matter be deferred until September, when a new law on the price of wheat is expected to be passed.

54. MR. LANDSBERG pointed out that the price of domestically produced wheat had been published in the Official Gazette two days ago. Therefore, regardless of when a decision on the price of UNRRA - imported wheat will be reached, it would be retroactive to the date on which the new "amassi" price had gone into effect.

55. MR. TOFFANO replied that there was a price paid to the "amassi" and another price to the mills. The difference between the price of wheat to the "amassi" and that to the mills, has been advanced for the present by private Banks. It is expected, that within 2 or 3 days a new decree will be published, establishing how the difference will be refunded, and if (as it is probable) the subsidy shall be borne by the State. Therefore, MR. TOFFANO added, if a price for UNRRA wheat is fixed at a higher figure, it will still be necessary to sell wheat to the mills at the price fixed in February 1946.

56. MR. CLEVELAND agreed that this point was clear. However, the Director General had telegraphed to Prime Minister De Gasperi saying that it is the official view of UNRRA that the Lire Fund shall not be used to subsidize the price of bread. Assuming that the Government decides to maintain a political price for bread on the wheat coming in through the "amassi", and that the Banks are to finance the operation, then the Lire Fund would be financing the operation on the wheat coming in through UNRRA. Therefore, MR. Banks and the Lire Fund would have to be reimbursed.

57. MR. TOFFANO agreed, but pointed out that, until the Decree was issued authorizing the Treasury to pay the Banks and the Lire Fund, no reimbursement could be made to either.

58. MR. CLEVELAND agreed that reimbursement could not be effected until the Decree is published. However, he thought that some of the preliminary staff work on the points mentioned in para 51 above,

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imported wheat. Two considerations, and Cleveland agreed, remained to be made:

- 1) the average price to be adopted;
- 2) the date on which the new UNRRA price shall be effective.

MR. CLEVELAND suggested that a Sub-Committee or group be appointed, in order to study the above points and report to the Committee at its next meeting.

53. MR. TUFFANO asked that this matter be deferred until September, when a new law on the price of wheat is expected to be passed.

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57. MR. TUFFANO agreed, but pointed out that, until the Decree was issued authorizing the Treasury to pay the Banks and the Lire Fund, no reimbursement could be made to either.

58. MR. CLEVELAND agreed that reimbursement could not be effected until the Decree is published. However, he thought that some of the preliminary staff work on the points mentioned in para 51 above, might be done immediately, and asked COL. TUFFANO to arrange a meeting with representatives of UNRRA and the Government, who would work in close co-operation with the Treasury (ACTION: UNRRA).

(d) POL.

59. MR. FOGLIETTI asked the Committee to approve formally, that the rate of exchange applied on POL prices be changed from 100 lire to the dollar to 225 lire to the dollar, and that the decision be recorded on the minutes.
60. MR. FOGLIETTI's suggestion was accepted and it was agreed, that the new rate of exchange would be effective for sales on or after September 1st 1946.
61. MR. CLEVELAND hoped that the detailed schedule of prices, to be agreed between the Sub-Bureau of Industrial Rehabilitation, CIP and the Government, would be available at the next meeting.
62. The meeting adjourned at 1.10 p.m.

ATTACHMENTS: Doc. Nos. 37, 38, 39, 40, 41, 42, 43, 44

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 American Embassy - Mr. Leigh Hunt
 British Embassy - Sir Quentin Hill.

UNRRA - ITALIAN MISSION Attachment H-1-0
Central Secretariat

PRICE COMMITTEE

Minutes of a Special Meeting
held at 4.30 p.m. on 28th August 1946

PRESENT FOR UNRRA:

B. Lutzatto	R & D, Chief of Sub-Bureau of Industrial Rehab.
F. Verdine	R & D, Price Office
H. Landsberg	R & D, Program Coord. & Statistics
J. Pagan	R & D, Ind. Rehab. Industrial Rehabilitation
G. Hopkins	Finance, Adviser (Adm. Fund)
E. G. Lapenna	Office of Special Ass't to Chief of Mission

PRESENT FOR ITALIAN GOVERNMENT:

Mr. De Graan	CIP
Mr. Zath	CIP
Mr. Revera	CIP
Mr. Foglietti	Interministerial Committee on Prices
Mr. Calderale	Ministry of Treasury

ATTACHMENT: Document No. 45

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Price Office - Bur. R & D
Special Ass't to C.O. (2)
Conference Secretariat (2)
Historical & Report Br., Att. Mr. Ferris
Regional Directors (9)

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PRESENT FOR UNRRA:

B. Luzzatto	R & D, Chief of Sub-Bureau of Industrial Rehab.
F. Verdirame	R & D, Price Office
H. Landsberg	R & D, Program Coord. & Statistics
J. Fagan	R & D, Ind. Coord., Industrial Rehabilitation
G. Hopkins	Financial Adviser (Mike Ford)
E.C. Lapenna	Office of Special Ass't in Chief of Mission

PRESENT FOR ITALIAN GOVERNMENT:

Mr. De Graan	CIP
Mr. Zath	CIP
Mr. Revera	CIP
Mr. Foglietti	Interministerial Committee on Prices
Mr. Calderale	Ministry of Treasury

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Price Office - Bur. R & D	
Special Ass't to Chief	(2)
Conference Secretariat	(2)
Historical & Report Br., Att. Mr. Ferris	
Regional Directors	(9)
Registry	(2)
American Embassy - Mr. Leigh Hunt	
British Embassy - Sir Quentin Hill.	

CM 6939

-1-

1. MR. LUZZATTO opened the meeting, the purpose of which was to base the price of POL on the dollar exchange rate of 225 lire. MR. LUZZATTO stated that it was important to compare the price of fuel oil with the price of coal. Recognizing that coal is now being sold below the landed cost, it was agreed that the new price of fuel oil (\$6.00 lit. per Kg.) was not out of line.

2. MR. DE GRAAN asked for formal approval of UNRRA's request that all sales tax proceeds be paid into the Lire Fund. POL imported into the country by UNRRA is transferred to CIP free of tax (or rather the tax paid at that stage is refunded to the Lire Fund together with Customs duties), but on further transfer or sale, sales tax is added, for which CIP reimburses the retailer. MR. FOGLIETTI disagreed with this request, and it was decided to re-examine the question at a later date in the light of the Agreement between UNRRA and the Italian Government.

3. Handling costs were then discussed, particularly in connection with POL supplied to the Allied Forces. MR. DE GRAAN suggested that the best method of recovering these would be for CIP to submit an account to the Government each month, and when the money was received, to pay it into the Lire Fund. He stated that this procedure should be put into operation as from 1st September. MR. LANDSBERG suggested that the account for the first part of the year beginning 1 February, should be submitted for payment to the Government, in view of the fact that the civilian population would otherwise be paying for services rendered to the military on behalf of the Government for that period. It was recommended that UNRRA should address a memorandum to the Government presenting the following points:

(a) Explanation as to how the recommended procedure avoids charging civilians with expenditure for Allied account,

(b) arrangements for making the recommendation effective as of 1 February.

MR. LANDSBERG stated that if agreement could not be reached with the Government on this point, distribution costs would have to be lowered proportionately. MR. DE GRAAN pointed out that this would create a deficit in CIP's accounts.

4. A chart, setting out new costings for POL was examined by the Committee and the retail prices of Gasoline, Kerosene, Diesel oil and Fuel oil, set forth therein, were agreed to. (Document No. 45). MR. LANDSBERG referred to the contingency fund, which he stated was set up to cover the cost of coastline shuttle traffic if such cost was to be charged to CIP for civilian account. It was decided to leave this item in and settle the account either at the end of the year, or when CIP terminated. MR. LANDSBERG added that if CIP had not been charged with the coastwise traffic, that account would also be paid into the Lire Fund. MR. DE GRAAN pointed out that as the system of salary increases ran on a ten months basis, and CIP operated for six months only, the reserve fund therefore might also have to cover dismissal wages.

2. Mr. DE GRAAN stated that all sales tax proceeds be paid into the Lire Fund. POL imported into the country by UNHRA is transferred to CIP free of tax (or rather the tax paid at that stage is refunded to the Lire Fund together with Customs duties), but on further transfer or sale, sale tax is added, for which CIP reimburses the retailer. MR. FOGLIETTI disagreed with this request, and it was decided to re-examine the question at a later date in the light of the Agreement between UNHRA and the Italian Government.

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- (a) Explanation as to how the recommended procedure avoids charging civilians with expenditure for Allied account,
- (b) arrangements for making the recommendation effective as of 1 February.

MR. LANDSBERG stated that if agreement could not be reached with the Government on this point, distribution costs would have to be lowered proportionately. MR. DE GRAAN pointed out that this would create a deficit in CIP's accounts.

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5. MR. LUZZATTO referred to Column D of the chart, which, he said, was a concern between CIP and the Government. MR. DE GRAAN confirmed a previous understanding that bunkage was charged to CIP and did not affect the present price schedule. There was general agreement on the various costings as set out in Appendix (a).
6. MR. DE GRAAN stated that it had been agreed at a meeting at the American Embassy that CIP should pay for refinery repairs out of profits from the sale of non-UNRRA stocks left by the military, but said that there had been no opportunity to create a reserve fund for this purpose, as the sales at present taking place were all on behalf of UNRRA. He asked for a moratorium for a short period, to enable CIP to sell their own stocks which had been in the country before UNRRA started importing POL, and suggested that the moratorium should be for a month or six weeks.
7. MR. LUZZATTO stated that this Committee was not in a position to make such a decision. MR. DE GRAAN informed the meeting that he was not paying the full amount of lire into the Fund each month, as he found it necessary to retain certain sums for current expenses.
8. It was decided that the prices of lubricating oils, of which there are some 37/40 grades, should be changed proportionately with the prices of fuel oil, according to grade.
9. The Committee agreed that the CIP accounting should be made on a new basis retroactive to 1 February, showing sales by type of fuel and amount to be paid into the Lire Fund for each. MR. LUZZATTO stated that this Committee meeting would be considered as a special Price Committee Meeting and the decision submitted to Mr. Keeny and Avv. Montini for ratification.
10. The meeting rose at 5.40 p.m.

CM 6922

NEW COSTINGS P.O.L.

Figures are in Lire per liter and per Kg.

PRICE COMPARISON
DOCUMENT N°

		New Retail Price A	Actual Distribut. Costs B	General expenses C	RESERVE D	TOTAL B-C-D E	Difference A - E F	Custom Duties and Taxes G
GASOLINE H.B.	(per liter	27.-	8.49	0.50	2.40	11.39	15.61	9.15
	(per kg.	36.16	11.36	0.67	3.22	15.25	20.91	12.26
KERO	(per liter	23.-	8.72	0.53	2.36	11.61	11.39	6.64
	(per kg.	28.50	10.74	0.67	2.86	14.27	14.23	8.30
DIESEL OIL	(per liter	24.-	9.22	0.48	2.42	12.12	11.88	6.93
	(per kg.	28.32	10.89	0.57	2.85	14.31	14.01	8.18
FUEL OIL	(per liter	7.53	1.30	0.25	0.65	2.20	5.33	0.25
	(per kg.	8.-	1.39	0.27	0.68	2.34	5.66	0.27

Column B includes : - Out of pocket expenses
- Repairs and maintenance
- Plant expenses for a/o Allied Forces

Column D includes : - Dismissal indemnities
- Shuttling

Column G includes : - Custom Duties and Taxes
- Turnover Tax (I.C.E.)
formerly in column 15

Rome, 28/8/46

NEW COSTINGS P.O.L.

PRICE COMMITTEE
DOCUMENT NO: 45.Figures are in Lire per liter and per Kg.

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	New Retail Price A	Actual Distribut. Costs B	General expenses C	RESERVE D	TOTAL B-C-D E	Difference A - E F	Custom Duties and Taxes G	Net Back F - G H
liter	27.-	8.49	0.50	2.40	11.39	15.61	9.15	6.46
kg.	36.16	11.36	0.67	3.22	15.25	20.91	12.26	8.65
liter	23.-	8.72	0.53	2.36	11.61	11.39	6.64	4.75
kg.	28.50	10.74	0.67	2.86	14.27	14.23	8.30	5.93
liter	24.-	9.22	0.48	2.42	12.12	11.88	6.93	4.95
kg.	28.32	10.89	0.57	2.85	14.31	14.01	8.18	5.83
liter	7.53	1.30	0.25	0.65	2.20	5.33	0.25	5.08
kg.	8.-	1.39	0.27	0.68	2.34	5.66	0.27	5.39

Column B includes : - Out of pocket expenses
- Repairs and maintenance
- Plant expenses for a/o Allied Forces

Column D includes : - Dismissal indemnities
- Shuttling

Column G includes : - Custom Duties and Taxes
- Turnover Tax (I.C.E.)
formerly in column 15

(E) This includes cost of services to the Allied military. Since these costs will gradually become chargeable to civilian account as the Allies move out, this item must remain in the distribution cost. However, CIP is to bill the Italian Government for services rendered to the Allied military, and upon receipt of them will pay such sums into the Lire Fund.

(D) In order not to handicap CIP in its operations, this item was left in the distribution cost with the understanding that this reserve item is subject to control by UNRRA and that any unexpended balances will be paid into the Lire Fund.

(F) Represents Lire Fund accrual per unit.

Attachment H-4-f

UNRRA ITALIAN MISSION

1 August, 1946.

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

My dear Prime Minister:

I have just received a confidential communication from
Director General La Guardia, reading as follows:

"1. Please pass following to De Gasperi. I have given more
study to your proposal to introduce additional bread subsidy.
May I repeat my request do not use the sale proceeds of UNRRA goods
now accumulated into Lire Funds. It will be impossible to keep
the subsidy on this basis. It would be embarrassing to you and to
me when the subsidy ended. This fund may be used to greater
advantage and interest of Italy.

"2. I plan to submit to the members of UNRRA at the forthcoming
Council proposals for a better and more effective plan for the use of
these funds which will result in more effective, longer and substantial
aid to the receiving countries."

2. This instruction, of course, supersedes any tentative
commitments made by me on this matter; in particular, this cancels the
tentative commitment made in my letter of 22 May to you, a copy of which
is attached for ready reference.

3. Mr. La Guardia is, of course, aware that the allocation of
amounts from the Lire Fund is a matter for agreement between UNRRA and
the Italian Government; and I am sure that he will listen sympathetically
to any considerations your Government wishes to place before him.
Until such agreement is reached, however, the position of this Mission
must be that it cannot agree to the use of Lire Funds for the subsidy
of the bread price.

Please accept the expression of my highest esteem.

S.H. Keeny
CHIEF OF MISSION

Enc. - 1 (para 2)
CM 6979

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

My dear Prime Minister:

1. I have just received a confidential communication from
Director General La Guardia, reading as follows:

"1. Please pass following to De Gasperi. I have given more
study to your proposal to introduce additional bread subsidy.
May I repeat my request do not use the sale proceeds of UNRRA goods
now accumulated into Lire Funds. It will be impossible to keep
the subsidy on this basis. It would be embarrassing to you and to
me when the subsidy ended. This fund may be used to greater
advantage and interest of Italy.

"2. I plan to submit to the members of UNRRA at the forthcoming
Council proposals for a better and more effective plan for the use of
these funds which will result in more effective, longer and substantial
aid to the receiving countries."

2. This instruction, of course, supersedes any tentative
commitments made by me on this matter; in particular, this cancels the
tentative commitment made in my letter of 22 May to you, a copy of which
is attached for ready reference.

3. Mr. La Guardia is, of course, aware that the allocation of 55
amounts from the Lire Fund is a matter for agreement between UNRRA and the
Italian Government; and I am sure that he will listen sympathetically
to any considerations your Government wishes to place before him.
Until such agreement is reached, however, the position of this Mission
must be that it cannot agree to the use of Lire Funds for the subsidy
of the bread price.

Please accept the expression of my highest esteem.

Encl - 1 (para2)
CM 6979

S. H. Keeny
CHIEF OF MISSION

1-5371

Attachment H-1-g

UNRRA ITALIAN MISSION

26 August, 1946.

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

My dear Prime Minister:

1. Further to my letter dated 1 August '46, regarding the possibility of a subsidy for the price of bread from the Lire Fund, the matter was discussed further with Director General La Guardia during the recent meeting of the UNRRA Council in Geneva.

2. I now have to inform you that the Director General has confirmed his previous decision communicated to you in my above-mentioned letter, that the proceeds of sale of UNRRA supplies to Italy (i.e. the Lire Fund) cannot be used to subsidize the price of bread.

Please accept the expression of my highest esteem.

S.M. Keeny
CHIEF OF MISSION

CM 6980

1454

1. Whereas on March 25th 1946 an Agreement was signed in Rome between UNRRA - Italian Mission, referred to here below as UNRRA, represented by S.M. Keeny, Chief of the Italian Mission, and Sorveglianza Societa' Italiana per Azioni Assistenza agli Sbarchi e Spedizione, referred to here below as Sorveglianza, represented by Bruno Bertoli, Vice Director.
2. Whereas it was agreed in the contract mentioned under Article (1) above that SORVEGLIANZA will superintend the discharge in Italian ports of UNRRA commodities coming from overseas for the account of UNRRA - Italian Mission.
3. The following stipulations, which are supplementary to and not in substitution of those contained in the original contract of March 25th 1946, mentioned in Article (1) above, are hereby mutually agreed.
4. SORVEGLIANZA will superintend the discharge in Italian ports of UNRRA bulk oil cargoes coming from overseas for the account of UNRRA - Italian Mission. In the case of packaged cargoes carried on tankers, these cargoes will be handled under the terms, conditions and rates of general cargo, as specified in the original contract of March 25th 1946.
5. On ship's arrival SORVEGLIANZA undertakes to effect the following operations:
 - (a) ascertain vessel's draft;
 - (b) take tanker measurements (ullages);
 - (c) determine density and temperature of oil in each tank by average of three dips from top, centre and bottom, before pumping into shore installation commences;
 - (d) check on quantity of fuel oil in ship's bunkers, unless refused by the ship's master.
6. SORVEGLIANZA also undertakes to be present on board, day and night, during the discharge of bulk oil cargoes or packaged goods, in order to keep full record of discharge in accordance with Article (3) of the original contract of March 25th 1946.
7. If UNRRA or SORVEGLIANZA deem it necessary, SORVEGLIANZA will carry out the sampling of bulk oil cargoes in accordance with the usual commercial practice.
8. At the completion of discharge SORVEGLIANZA will carefully inspect the ship's cargo, tanks and bunkers ensuring that all oil cargo in ship's tanks was entirely discharged, and in the case of heavy oils, when steam or other cleaning of tanks is required, that the quantities of oil resulting from such steam or other cleaning are also

Article (1) above that SORVEGLIANZA will superintend the discharge in Italian ports of UNRAA commodities coming from overseas for the account of UNRAA - Italian Mission.

3. The following stipulations, which are supplementary to and not in substitution of those contained in the original contract of March 25th 1946, mentioned in Article (1) above, are hereby mutually agreed.

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- (a) ascertain vessel's draft;
- (b) take tanker measurements (ullages);
- (c) determine density and temperature of oil in each tank by average of three dips from top, centre and bottom, before pumping into shore installation commences;
- (d) check on quantity of fuel oil in ship's bunkers, unless refused by the ship's master.

6. SORVEGLIANZA also undertakes to be present on board, day and night, during the discharge of bulk oil cargoes or packaged goods, in order to keep full record of discharge in accordance with Article (3) of the original contract of March 25th 1946.

7. If UNRAA or SORVEGLIANZA deem it necessary, SORVEGLIANZA will carry out the sampling of bulk oil cargoes in accordance with the usual commercial practice.

8. At the completion of discharge SORVEGLIANZA will carefully inspect the ship's cargo, tanks and bunkers ensuring that all oil cargo in ship's tanks was entirely discharged, and in the case of heavy oils, when steam or other cleaning of tanks is required, that the quantities of oil resulting from such steam or other cleaning are also discharged or accounted for.

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9. In the event of vessels having to discharge at a second port, SORVEGLIANZA will take tank ullages immediately on completion of discharge at first port and repeat the operation on vessel's arrival at second port.

10. For all operations mentioned in articles 4 to 9 above, UNRA will pay SORVEGLIANZA 10 lire per manifest ton on UNRA bulk oil cargo, regardless of whether vessel discharges the cargo at one or more ports.

11. For the tallying out of packaged goods, UNRA will pay SORVEGLIANZA 35 (thirty five) lire per manifest ton, in accordance with article (7) of the original contract of March 25th 1946, regardless of the number of ports of discharge.

12. The supplementary agreement shall take effect from this day's date. It shall remain in force until the termination of the contract of March 25th 1946, mentioned in Article (1) above.

Date: 14 August 1946

(Signed) C.E. HODGETTS, for
S.M. KECNY, CHIEF OF THE
UNRA ITALIAN MISSION

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H-2, BRIEF SUMMARY OF THE

MAIN ECONOMIC DEVELOPMENTS IN ITALY DURING

AUGUST, 1946

By the Division of Operational Analysis.

INTRODUCTION

1. The draft clauses of the Peace Treaty and the lire situation were uppermost in Italian economic thought during August, 1946. There is a sense of apprehension and uncertainty for the future. Domestic unrest has been evidenced by complaints of increasing cost of living, labor demands for increased wages and by rising speculation. The Party Coalition is losing its unity of economic and financial objective. This has culminated in the resignation of the conservative Treasury Secretary who sees no hope of carrying through the accepted rehabilitation program in the absence of continued agreement between the political parties.

2. There is a danger that the slow return over the past six months to equilibrium in the Italian economy will be arrested. Improvement in the position can come mainly from a reasonable and rapid settlement of reparations, by an early promise of foreign financial assistance, and by early political pacification.

3. Notwithstanding the generally unfavorable situation Italy's economic position is improving as compared with past months. This is due mainly to larger imports by UNRRA of coal and industrial raw materials and to the momentarily improved food situation and increased exports.

UNFAVORABLE FACTORS

4. The unfavorable factors in the August, 1946 situation were:

(a) the heavy war reparations required from Italy. According to some estimates the sums demanded in reparations are a considerable proportion of the present national wealth (estimated at 550,000 million lire (1938 value)).

(b) the deterioration in the currency situation and new evidences, seen in increased speculation, of lack of confidence in the lire.

(i) Currency circulation increased from 379,800 million lire at the end of February 1946 to 414,800 million lire at the end of July 1946. Of this increase of 35,000 million lire the increase in July was 12,900 million lire. In the period 1 March to 31 July the issues of currency for the Allies amounted to 26,000 million lire.

(ii) Sums in current accounts with the Bank of Italy available to the Treasury increased from 34,000

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(ii) Sums in current accounts with the Bank of Italy available to the Treasury increased from 34,000 million on 28 February to a maximum of 38,800 million lire on 30 April, falling later to 18,500 million lire on 31 July, a fall of more than 20,000 million lire in three months.

(iii) Rates of exchange and gold prices on the open market have increased rapidly (the U.S. dollar increased from 284 lire in April to 333 in March, 366 in June, 401 in July and 450 at the end of August).

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- (iv) Prices of shares in private industrial companies increased rapidly to 26 August 1946 reaching, as compared with 1940-100, a maximum index number of 1028. (The previous maximum point had been reached in December, 1944, with 915 and the minimum in April 1946, with 354). This increase in July - August 1946 originated from revaluation of company's assets, distribution of shares free of charge etc. and in normal circumstances would call for no comment. But having regard to the present situation, this increase gave rise to an abnormal movement resulting in speculation. When, towards the end of August, the Minister of the Treasury announced that steps would be taken against speculation a substantial reduction in share prices took place (index 827 on 31 August 1946).
- (c) The increasing deficit in the State budget due to the substantial increase in government expenditure (for salary increases to civil servants and for public works) not estimated in the budget and against which there was no proportional increase in revenue.
- (d) The state of uneasiness and unrest and the lower productivity of the workers, fearful of further reduction in the already low standard of living owing to currency devaluation.
- (e) The disharmony within the Government on economic and financial reconstruction questions.
- (f) Slow progress in building reconstruction and public works during the summer months.
- (g) Uncertainty regarding Italy's situation at the close of UNRRA's operations and a heavy prospective deficit in the balance of payments for 1947, tentatively estimated by UNRRA at more than 600 million dollars.

FAVORABLE FACTORS

Among the more favorable factors in Italy's situation in August 1946 are:

- (a) Improvement in the food situation owing to a better harvest.
- (b) The net increase in rations in the period July-August (bread 200 to 235 grams a day) and pasta (from back 500 to 2,000 grams a month), and in August (sugar, from 100 grams to 300 grams a month), and the greater availability of fruit and vegetables, which resulted also in a fall in the open market prices for bread, flour and pasta. There has been a reduction in the family expenditure on food generally although somewhat offset by increased prices for fats and meat. (In the last week of August a sudden rise of 10% occurred in retail prices of foodstuffs on the free market). The national index number for cost of living (food only) having reached the maximum of 36.1 times more than pre-war (1938) fell to 34 in June and to 30 in July 1946.

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- (c) Increased UNRRA coal imports and anticipated further increased coal imports in September 1946.
- (d) Increased imports of industrial raw materials.
- (e) Gradually increasing exports. In the first seven months of 1946 exports were valued at 24,592.3 million lire (equal to 54.4 per cent of imports - valued at 45,236 million lire). The values of the exports in each month were, in

million lire: January 751.4; February 2,802.6; March 2,775.0; April 3,926.5; May 4,624.7; June 4,340.3; July 5,371.8. New trade agreements were negotiated with Norway and the Netherlands.

- (f) Increased revenues from taxation: 16,000 million lire in July, equal to 2,500 million lire more than the monthly average of the first half of 1946.
- (g) Increased production (particularly in the textile, chemical and glass trades) and larger bank operations of a commercial character.

CONCLUSION

Italian economy in August 1946 was under the threat of a new inflation, accompanied by some lack of confidence in the lire and resulting in higher open market exchange rates, higher share prices in general and in a tendency to invest in goods. Notwithstanding this and some labor unrest industrial activity shows an improvement and the food situation is better. These are short-term considerations. From the long-term aspect the general economic situation in Italy is still most uncertain and can only give hope of betterment when there is evidence of greater appreciation abroad of the difficult road along which Italy must travel to rehabilitate her economy.

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H-3. MONTHLY REPORT OF THE DIVISION OF INFORMATION FOR

AUGUST, 1945

INTRODUCTION

1. Despite the enormous Italian interest in the Paris Peace Conference and its repercussion on Italy, the UNRRA 5th Council in Geneva was given great prominence in the Italian Press. This was probably due to thinking Italians' view that Italy's food and general supply problem-so vitally dependent upon UNRRA-must be an outstanding consideration of any peace treaty for Italy.
2. The complete lack of unfriendliness towards Italy was an outstanding feature of the 5th Council and contrasted markedly with the Council meeting in London last year.
3. The leader of the Italian Observers, vv. Confini, addressed a Plenary Session of the Council, stressing the importance of continued aid to Italy in 1947 and expressing his government's gratitude for UNRRA's work during 1945-46. This address created a very favorable impression on the press correspondents who recognized the evidence of goodwill and determination of the Italian Government to re-establish Italy's economy and feed her people while adopting firm measures to insure the amassing of the maximum quantity of indigenous wheat.
4. Shortly after the opening of the 5th Council a story appeared in the JOURNAL DE GENEVE referring to riots in Sicily which were connected with the amassing campaign. The Director of Information cabled to Rome for details and up-to-date figures of amassing. On receipt of these figures a release was made in Geneva to all the foreign correspondents, in which the excellent results of the amassing in relation to the target figure were referred to. This release was very timely and served to increase the already large volume of sympathetic understanding of the Italian food problem.
5. While in Geneva contact was made with a large number of press people and with delegates of various contributing nations. Here the intention was to acquaint both press and delegates with the Italian program and the Italian problems in connection with that program. The pamphlet "UNRRA AIDS ITALY" was given to each of the delegates and explained to them, while 500 copies were distributed to the correspondents accredited to the Council.
6. It was agreed that a member of the Information Division in Geneva should despatch a round-up cable to all missions daily. However, it was found that this cable had not been sent regularly, whereupon a tightening up was instituted, and this was supplemented by cables from the Director of Information of the Italian Mission direct to Rome. In these cables the outstanding features of the Council were made known to the home office.
7. An excellent photographic exhibit was prepared in a prominent part of the Palace in Geneva together with charts supplied by the Bureau of Requirements and Distribution and pictures of the UNRRA Pavilion at the home exhibition. The exhibit was very popular with both delegates and press.

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benefits to UNRRA and the UNRRA Italian Mission in particular.

8. In Rome during August, despite illness which severely curtailed the Information Division staff, an increased number of releases were made and the high standard of ECONOMIC NOTES maintained. These releases were well used and the Italian edition of ECONOMIC NOTES quoted at length.

9. The UNRRA Pavilion with its exhibit, intended to explain UNRRA to the Italian people, opened on August 8 and was an instantaneous success. It tells the UNRRA story in simple pictorial and objective form, and has been visited by approximately 45,000 people to date. 1,000 visitors passing through daily and between 5,000 and 7,000 on Sundays and holidays. The press have also given enthusiastic accounts of the exhibit which is admittedly the most effective propaganda for UNRRA that has been done anywhere. Several requests have been received from regional centers for exhibits similar to the one in Rome, and the eventual moving of a portion of the exhibit to other principle Italian cities is under consideration.

10. Inaccurate statements regarding UNRRA in Italy are still being countered by inviting the correspondents to conduct an interview with responsible UNRRA Mission officials and touring of UNRRA installations. This has usually resulted in the publication of good and precise articles which in themselves contradict the errors in the original articles.

11. The Italian people are very much more aware of what UNRRA is doing and the means by which the supplies UNRRA brings into Italy are distributed. In this connection the distribution of the Italian edition of "UNRRA AIDS ITALY" has been of great value.

REGIONS

12. The Information Officers in the regions are functioning well. An ever-increasing number of articles on UNRRA are being placed in provincial papers, since the Geneva Council. Despite predictions that the Peace Conference at Paris would completely overshadow the 9th Council at Geneva, such was not the case. Governments and peoples of war-devastated Europe, struggling to survive, were much concerned with this Session, scheduled to be the last, and the deliberations were followed with close interest and much editorial comment. The constant plea of the Italian press was for continuance of UNRRA activities well into 1947. Official press releases on Council Sessions received wide publication.

13. From the Regional Offices in August came these reports:

(a) Sardinia - the small public relations office in the Sardinia Region, which was set up July 22nd, begins to show results. The first regional bulletin was published in August, not without some difficulty. Weekly articles on UNRRA activities appear in the Sardinian independent paper "UNIONE SARDINIA", and provincial papers have begun to copy. The material is furnished by the Regional Office, mainly from ECONOMIC NOTES and Rome's general releases with special reference to Sardinian problems.

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(b) Sicily - There is as yet no assigned Information Officer attached to the Palermo office, but arrangements have been made to send clippings from the Sicilian press to Rome headquarters and heads of the different

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services have been asked to forward notes for stories to me. The regional workers seem fully aware to the advantages to be gained by such publicity and their cooperation will follow. Efforts continue to fill the gap with an Information Officer at Salerno.

(c) Southern - The information branch has made considerable progress during the past month. Many articles on URR have appeared in the city and provincial press, due to the activity of the Public Relations Officer in contacting Italian newspapers. By the end of the month an assistant had been appointed for the Bari office which should bring news from there for general distribution. The Naples press have offered accommodation for exhibits of URR imports, similar to the "Mostra" in Rome, and the headquarters office is considering ways and means to put on such an exhibit, at least with photographs. A conducted tour of six summer colonies in the province resulted in items in the most important papers which extolled the benefits to the children.

(d) Central - The Regional Information Officer has inaugurated during the past month a Weekly Regional Press Digest in English and Italian.

(e) Emilia-Toscana - This Regional Information Office has had its usual busy month. Releases from Florence are eagerly received by the provincial press and the release entitled "War on the Black Market in Emilia and Toscana Region" was published very widely, not only in the region but elsewhere in Italy. Distribution of ECONOMIC NOTES has grown steadily, 200 being added in August, making the total 1,670 copies. Long excerpts from the NOTES appear in the press as well as articles based on facts contained therein. The Regional Director's radio talk on housing, 19 August, was well received. Excerpts from a press release of the talk in Italian appeared in many papers.

(f) Liguria-Piemonte - The Ports of Genoa and Savona are having extremely heavy traffic of URR supplies and the Regional Public Information Officer took full advantage of the fact to get publicity for URR. There was good coverage of port matters as well as material for publication from ECONOMIC NOTES. There is considerable demand for translation into Italian of the Supplement to ECONOMIC NOTES, distributed with the weekly "NOTES" but not prepared by the Public Information Division.

(g) Lombardia - The Information Service at Milan carried on its usual work of press review and digests, clippings and information to regional officers as to any news items affecting their special fields. There have been many distinguished visitors who had to be heard for variously. The new weekly news bulletin "Rassegna Settimanale" has met with wide favor. Many papers have printed excerpts from this bulletin and requests for further information have shown the interest stirred. To quote from the monthly report of the Regional Director: "In addition all papers gave a great deal of attention to URR's contribution toward the equipment and upkeep of summer colonies, since there is hardly a coming in Lombardy which does not have at least one of these colonies".

(h) Venice - The month of August was reported by the Regional Director as being a comparatively "peaceful" month, with activities of the Information Office rather quieter than usual. Attention was given in the press to C.A.S.S. (Comitato Amministrativo Soccorso di Senzatetto - Administrative Committee to Aid the Homeless), with praise for URR aid, the amazing where the yields have been unexpectedly high, and most favorable reports on DDT treatment.

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PRESS

14. Throughout the month of August articles and new stories of UNRRA appeared in increasing numbers in the Foreign Press. Many of these articles are made up of lengthy quotations from ECONOMIC NOTES and the releases put out by the Division.

15. The ECONOMIC NOTES circulation continues to increase and the Economic Survey which is being distributed as a supplement to ECONOMIC NOTES has been well received by the Foreign Press. While in Geneva the

Director of the Division, in the course of contacts with Foreign correspondents and delegates, distributed copies of the ECONOMIC NOTES and the factual pamphlet, both of which were regarded as extremely valuable as background for articles on UNRRA in Italy.

RADIO

16. Thomas Cobb, International Film Foundation, returned to Rome about the 10th of August. He is shooting his film in the Florence area, with three operators. Arrangements were made to have transportation at his disposal for a month, and letters of introduction, etc. were given him to facilitate his contacts and work. Mr. Cobb will let us use, for our purposes, any of the material they film.

17. Norman Corwin, American commentator and winner of the Willkie Award, made a tour to Lenuvio with Mrs. O'Brien and Miss Guglielmo. They made recordings in the heart of the town, amidst rubble, etc., with Mr. Corwin asking questions of the townspeople. (Mr. Corwin's mission is finding out what the man-in-the-street is thinking).

18. Albert Shea, Canadian Food Information Service and CANADIAN BROADCASTING CORP. arrived in Rome 17 August. He visited a "Khiboutz" camp (Jewish Community) talked to Inrus, visited markets in Rome, and visited Cassino to talk to the people, etc. after which he made a recording through RAI (Radio Audizioni Italiane - Administrative Office Radio Roma) to film CASAS work there. Messrs. Thale and Shea also went on this tour.

19. Radio transmissions by Mr. Keeny:

8 August 1946

Opening of the "Mostra", and UNRRA's place in the "Mostra delle Attivita' Romane". (Text Attached)

29 August 1946

Broadcast shortly after Mr. Keeny's return from the UNRRA Council Meeting at Geneva. (Text Attached)

FILMS

20. The UNRRA documentary script is finished and is now being modified for filming purposes. The main shooting is expected to start within 10 days. LUCE filming of the locust campaign will be used in the documentary.

21. Copies of films taken of the UNRRA Pavilion at the "Mostra delle Attivita' Romane" will be sent to Washington and London. MGM has shown some material in their newsreel already. LUCE is making a longer story of it for their houses. Flashes from it are to be used as background for acknowledgments for early part of the documentary - globe, flags, ships, etc.

22. Henri Fabiani, MGM correspondent, almost immediately after arriving in Rome, flew to Sicily to cover rioting there and took shots in a hospital and of a summer colony while there. He spent considerable time with Mr. Moses, Regional Director. Mr. Fabiani sent his film off to London immediately, undeveloped, however he is cabling

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22. Henri Fabiani, MGM correspondent, almost immediately after arriving in Rome, flew to Sicily to cover rioting there and took shots in a hospital and of a summer colony while there. He spent considerable time with Mr. Moses, Regional Director. Mr. Fabiani sent his film off to London immediately, undeveloped, however he is cabling his office to send us copies. The work he does while he is here is mainly for British distribution. On 17 August he did a story on malaria control beginning in the office and going out into the field. He developed this film here and left us a copy which is currently being shown in Sardinia. It is hoped that this can be used in the documentary film.

23. Distinguished visitors: John Thale, Chicago Daily News, was M 6996

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anxious to get orientated on UNRRA activities. He was given interviews by various members of the Mission staff. Arrangements for a tour were made to Cinecitta', Cassino, Civitavecchia port and a school feeding by UNRRA welfare.

24. Blair Fraser, McLEAN's, arrived 15 August. Arrangements were made for him to visit Cinecitta' and interviews with various members of the Mission staff, regarding food problems and displaced persons.
 25. Albert Shea, CANADIAN FOOD INFORMATION SERVICE & CANADIAN BROADCASTING CORP., was conducted on a tour of the Rome markets with Mr. Gargulillo of Agricultural Rehabilitation Section. Another tour was arranged for Pontecorvo and Cassino to talk to the people and look at CASAS activities, later in the week to Civitavecchia for port operations. Mr. Shea did a 3-minute broadcast for CBC. Mr. Keeny is to do one 3-minute broadcast for Canadian audiences in addition to a 15-minute exchange with Gordon Sutherland who is Canadian. He also sent pictures to the Canadian Information Service. (See RADIO) 18
 26. Edgar Ansel Mowrer, American columnist and Radio Commentator, was conducted to Valmontone where he had interviews with the townspeople and the town doctor. He was given background material on UNRRA activities in Italy in general.
 27. Mrs. Arthur Fletcher, Writer, visited Lanuvio 28 August to get ideas on the cost of living, what the people are thinking, what they can expect, etc.
 28. Mr. H. Hynd, British Member of Parliament, had an interview with Mr. Keeny with the Director of Public Information Division. He was conducted on tours to Cinecitta', Lanuvio - going through Albano, Genzano asking people questions. He is going to make a tour of the Regions during the coming 3 weeks.
- PHOTOGRAPHS
29. The respite from exhibition and display work this month has given the section an opportunity to complete a number of stories which had been on hand. Altogether 8 new picture stories have been completed and distributed.
 30. Figures for distribution of photographs this month total 863. While this is less than that of last month, when staff worked excessive overtime, it is considerably higher than any previous normal month.
- PAMPHLET & PRINTED MATERIAL
- Leaflet: "Che Cosa E' L'UNRRA?"
31. The leaflet is being distributed to visitors to the UNRRA Pavilion. Substantial quantities have been dispatched to the regions and arrangements are being completed to have it distributed by Italian Government agencies to every town and province in the country (total quantity 600,000).
 32. Preparations are being made for the printing of a large poster version of the leaflet in color for distribution and posting through-

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32. Preparations are being made for the printing of a large poster version of the leaflet in color for distribution and posting throughout Italy by the Government (total 25,000).

33. Plans have been worked out with the Regional Offices for an expanded WEEKLY BULLETIN, to set forth the activities of the regions and to make the BULLETIN a "house organ" for exchange of information on mutual problems. Also the DAILY PRESS DIGEST now carries briefs of world news as well as excerpts on local current economic developments.

Pamphlet: "UNRRA AIDS ITALY"

34. Italian edition of the pamphlet "UNRRA AIDS ITALY" is to be run in serial form in leading newspapers throughout the country in addition to the Italian copy of the pamphlet being distributed to every commune.

GENERAL

Mostra delle Attivita' Romane

35. Completed the preparation and opening of the UNRRA Pavilion at the MOSTRA. The Pavilion has proved to be the outstanding attraction at the MOSTRA. At a conservative estimate, there have been 45,000 visitors to date. The UNRRA exhibit has been given wide publicity in the press in both articles and photographs as well as in news films.

36. In general, we are finding that the Pavilion is clearing up many mis-conceptions and is providing a complete, well-rounded exposition of the UNRRA program in Italy. The UNRRA attendants on duty during all hours when the MOSTRA is open to the public are answering a wide variety of questions about UNRRA and channeling others, where appropriate, to the proper agency.

Anti-Grasshopper Campaign

37. At a meeting attended by Military and Civilian authorities on the occasion of the successful fight against the grasshoppers, the High Commissioner expressed his grateful thanks to Mr. Keeny for his sympathetic interest in the island's welfare and for the lightening help UNRRA gave in the form of transport, materials and technicians.

B. ASHFORD-RUSSELL
DIRECTOR, INFORMATION
DIVISION.

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION
ITALIAN MISSION

Issued by: DIVISION OF PUBLIC INFORMATION

FOR IMMEDIATE RELEASE

30 August 1946

RADIO TALK BY UNRRA CHIEF OF MISSION

Below is the English translation of a radio talk given

from Radio Roma yesterday evening, 29 August, by Mr. S.M. Keeny, Chief of the UNRRA Italian Mission:

I am speaking to you within a few days of my return to Rome from the Fifth meeting of the UNRRA Council at Geneva.

First, I want to tell you of the marked change compared with a year ago, which I noticed at Geneva, in the attitude towards Italy. In August last year, at the Third Council meeting in London, there was much opposition to a full-scale program of relief and rehabilitation for Italy, costing, with shipping charges, more than 450,000,000 dollars (\$112,500,000 sterling).

At Geneva, all that was forgotten. Except for some references to the black market, there was no criticism of any aspect of the program now half-way completed. Italy, and Italy's affairs were never a subject of controversy.

Next, I should like to indicate very broadly how the decisions at Geneva affect Italy.

First and foremost - when does UNRRA end? UNRRA in Italy will continue until the program on which we have embarked is completed. We shall go on buying supplies until the money voted for Italy is exhausted - even though some of the supplies cannot be procured until the early months of next year.

UNRRA shipments will continue to arrive in Italy throughout the first quarter of the new year - at least; but, of course, in diminishing quantities after December.

We are not thinking for the rest of the year of "liquidation", but rather of increased effort to make the rest of UNRRA's program of help for Italy still more effective.

By the end of August, approximately 5,500,000 tons of UNRRA goods will have arrived in Italy - free of charge to the Italian Government. Before our work is done, we plan to ship another 4,500,000 tons, making a grand total of 10,000,000 tons. That gives you the measure of what is still to be done. 1247

In July, more than 800,000 tons of UNRRA goods arrived at Italian ports. Month by month we expect to maintain a steady average of between 700,000 and 1,000,000 tons.

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But when these 10,000,000 tons of commodities are all delivered, as they will be comparatively early next year, that will be the end of UNRRA's help to Italy.

CM 6093 FI

All these goods have been delivered free of cost to the Italian Government for sale to the Italian people. The decisions of the Fifth Council at Geneva will bring to an end this period of free help.

This means that Italy must be ready to take over the business of procuring, and paying for, supplies from abroad before the end of the year. If there is to be no break in the flow of essential commodities, Italy has not a moment to lose.

Let us take one example - wheat - and study the situation as it is now, and as it is likely to be in the first half of next year. While I was at Geneva I heard much praise of the signal effort Italy had made this year to increase the amount of wheat delivered to the people's granaries. In spite of the failure of some provinces to achieve their quota, the ammassi figures for Italy as a whole are good.

And they need to be, for I must warn you that the period of world grain shortage is by no means over. Whether Italy has enough bread to eat in the salatura of 1947 is by no means only a question of finance - but of whether there will be grain enough to buy.

Everyone in Italy knows that Italy must import grain from abroad, if the people of Italy are to have bread. If the ammassi campaign proves 100 per cent. successful - and I hope it will - there will be grain enough only to meet about 60 per cent. of the country's needs. Very nearly 2,000,000 tons must still come from abroad.

I have told you in an earlier broadcast, that of this amount UNRRA hopes to secure, and pay for, 750,000 tons. I am reasonably confident that we shall ultimately succeed in doing so.

But the last UNRRA cargo will have been made into flour, delivered to the bakers and eaten as bread long before the first ear of wheat in Italy has begun to ripen.

Funds will be needed, plans must be laid to buy the grain and other essential commodities which Italy needs to carry on when the period of free UNRRA aid comes to an end.

That is the problem set by Geneva. I greatly hope that Italy will be able to secure the loans, which she will certainly need. But the surest road to recovery must always be increased exports. In the months that remain the Mission will do whatever it can to help Italy to re-establish her exports, by aiding so far as we can in the rehabilitation of Italian industry and agriculture.

We are particularly anxious that the accumulated experience of international experts who have worked with our organisation shall be available to the Italian people; and we have asked the Government for the fullest collaboration of their own technicians, in order that the experience of UNRRA shall be of lasting benefit to Italy.

1662

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UNRRA will start to go in about six months. I hope by then Italian organisations, both Government and private, will be in the field ready to carry on.

Good evening.

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H-4. MONTHLY REPORT FOR THE BUREAU OF REQUIREMENTS AND

DISTRIBUTION FOR AUGUST, 1945.

INTRODUCTION.

1. The Chief of the Bureau accompanied the Chief of Mission to the Geneva Conference, together with the Chief of the Sub-Bureau of Relief Supply. In addition to useful discussions on the administrative arrangements for the gradual tapering off of the Mission's work, and general discussions on some of the pending resolutions, a series of useful sessions was held in Geneva with Mr. Cairns and Mr. Henson; in which agreement was reached, among other things, on the detailed composition of the food budget for the remainder of the operations. The use of the proceeds of sale also came under discussion, and a memorandum on the use of the Lire Fund in Italy was submitted by the Chief of Mission to General Gale and Commander Jackson.

2. The textile program really got on the rails during the month. The Government decided to adopt a previous UNRRA recommendation, that cotton be processed "on account" and the resulting fabrics distributed directly to organizations which could reach the neediest parts of the population and sell them the clothing at low cost. A decree has now been passed by the Government setting up "UNRRA TESSILI", an executive committee for the cotton program on which the UNRRA mission will be represented.

3. A great step forward during August has been made towards solving of problems of distribution through discussions and work with the ERO Distribution Control Unit. A Distribution Report No. 1 giving basic back-ground descriptions of allocation and distribution operations was worked out and brought near to completion. Work was started at the same time on "Distribution Report No. 2" which is to consolidate information on distribution activities during the month of July. A revised Procedural Instruction was issued for the preparation of monthly reports, together with a supplement instruction for the section on distribution (see Section VI). In accordance with this instruction, the usual appendices of Sub-Bureau reports are omitted, with inclusion of the information in the more-detailed overall Bureau Report.

I. MAJOR PROBLEMS AND ACCOMPLISHMENTS.

A. FOOD.

4. Problems involved in the pending agreement with the Italian Government of a revision of existing ration scales for food can be under three headings - first, the unification of ration scales throughout the country; second, the simplification, if possible, of the existing scales, particularly with a view to reduction in the numbers for supplementary feeding; third, and in many ways the most important, the devising of plans for the continuance of some form of welfare feeding after UNRRA operations cease. Several meetings were held, attended by representatives of the Rationing Branch of the High Commissioner for Food, at which definite proposals now awaiting ratification for some unification and simplification were discussed, and the continuation of a Welfare Feeding Program,

useful sessions was held in Geneva with Mr. Collins and Mr. Jackson, in which agreement was reached, among other things, on the detailed composition of the food budget for the remainder of the operations. The use of the proceeds of sale also came under discussion, and a memorandum on the use of the Lire Fund in Italy was submitted by the Chief of Mission to General Gale and Commander Jackson.

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5. Appointments of Regional Food Distribution Officers, as agreed at the Regional Directors' Conference held in June, are virtually completed. Six have started their duties in accordance with formal instructions, agreed with the High Commissioner for Food's office, with special reference to reporting procedure.

6. The utilization of minor cereals other than wheat (i.e., oats, barley and corn) which have continued to come in becomes a problem which is aggravated by the fact that certain quantities of indigenous rye and barley are now available, and the Italian corn crop will shortly be coming into distribution. The Italian Government found some opposition in the Province to the practice of mixing these cereals with wheat flour which was done increasingly prior to the harvest to augment scanty wheat supplies. When the new harvest came in, the natural reaction was to go back to a purer wheat flour and pasta. Continued utilization of minor cereals was presented to the Italian Government as essential, not only from the point of view of world opinion, but also because the total availability of cereals in Italy for the bread and pasta ration includes the minor cereals and if they were not utilized early in the new harvest year there would be a considerable excess of minor cereals and an increasing deficiency of wheat later on.

7. Provinces have now been instructed to start using these minor cereals again in areas where they are available, especially where such use has been normal in the last few years. The instructions wisely recommended use of a smaller percentage than was prevalent just prior to the harvest, to be gradually increased until the maximum practical amount is reached.

8. Research has continued on the rationing position and food cost in the first semester of 1946. A summary on labor effort in Italian Agriculture was made for the visiting committee to examine Italy's food and agricultural position, headed by the U.S. Under-Secretary for Agriculture. A questionnaire sent out by the old Combined Food Board (now the International Emergency Food Council) with regard to Italy's prospective cereal position in 1946/47 was completed and sent to Washington, indicating that at the present rate of consumption and with the present harvest and amassing prospects, Italy will require imports of cereals to the extent of about two million tons during this consumption year.

B. AGRICULTURE.

9. After two and a half months of wheat amassing, results are very satisfactory. As of 27 August, 1,958,556 metric tons of wheat had been collected. The collection has been very good in the Central Region and in the North of Italy, excluding Lombardia and Piemonte, where the Government has been finding some opposition to amassing which is also true in general, of the South and Sicily. Energetic action is still being taken to improve the amassing in these areas and in Sicily - for example - where total amount is still disappointing, though progress has been made during August. To date only 29,991 metric tons of minor cereals such as rye and barley have been delivered.

10. The latest revision of production and amassing figures now completed in conjunction with the Italian Government provides for a wheat production of 6,089,440 metric tons and an amassing goal of 2,577,652

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10. The latest revision of production and amassing figures now completed in conjunction with the Italian Government provides for a wheat production of 6,089,340 metric tons and an amassing goal of 2,577,652 metric tons.

11. It is estimated that the corn harvest will amount to 2,238,300 tons. Rice production is now estimated at 550,000 tons, due principally to a considerable increase over last year's acreage. This, however, is still about 28% below the pre-war average.

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12. The sugar beet harvest is now in full swing and considerable quantities of beets have already reached the processing factories. The present official estimate amounts to 2,373,000 tons of beets, but reports coming from the field indicate that the crop will probably be slightly higher. With this quantity, it is estimated that 270,000 tons of sugar will be produced.

13. The final estimate of the potato crop is 3,063,000 tons. Fruit is plentiful - the apple and pear crop is lower than last year owing to Aphid infestation. Peaches are approximately equal to last year's production, i.e. 218,000 tons. In limited areas of the North, grapes have been injured by hail and in some of the Northern and Central provinces by mildew, but it is estimated that this year's crop will be at least equal to last year's, approximately 5,120,000 tons.

14. Some last year's corn, forage crops, vegetables and pasture have been affected by drought and dry soil has made plowing difficult in many areas. (See also Section VII B).

C. SUPPLY OPERATIONS.

15. The Supply Record Branch has been reorganized and expanded and under ERO Directive, activity is being concentrated upon centralization of supply records and documentation. Arrival of a new Supply Records Officer will facilitate this operation which has been handicapped by personnel deficiency and lack of complete understanding between this Mission and ERO reference the problems involved. Receipts from the Italian Government for imported supplies are now on a current basis except for packaged POL, the Status of which is being clarified with the Army and Navy Petroleum Board (ANPB) and the Military.

16. In cooperation with the Italian Government and the Military a Central Transport Committee was established under the Chairmanship of the Italian Minister of Transport. The main functions of this Committee are to coordinate demands with transport facilities on a national basis, to effect diversion of supply movements in critical areas from rail to forms of transport not at present fully employed, i.e., road, coasters and inland waterways, and to study means by which transport facilities can best be rehabilitated and capacities increased. (See also Section III).

D. COTTON TEXTILES.

17. Agreement has been finally concluded for the processing of the cotton imported by UNRRA and distribution of the finished product to various classes of consumers according to need and ability to pay. An UNRRA Tessili Committee has been established, on which the Mission will have two representatives, which will have the responsibility of carrying out this plan. This Committee will operate along the lines of the UNRRA CASAS organization and will be charged with the processing of UNRRA cotton, wool and hides. The distribution of these goods will be handled by the various appropriate agencies, e.g., the Ministry for Post-War Assistance, the Italian Delegation, etc. (See Section VI-F for more details).

18. An exchange has been arranged whereby Allied Military Government, Venezia Giulia-Udine will

have been injured by hail and in some of the Northern and Central provinces by mildew, but it is estimated that this year's crop will be at least equal to last year's, approximately 5,120,000 tons.

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18. An exchange has been arranged whereby Allied Military Government, Venezia Giulia-Udine will provide the United Nations Nationals Displaced Persons Camps with 60,000 blankets against a supply of raw cotton from UNRRA. The quantity of cotton will be fixed by balancing cotton, at 130 lire per kilogram, against the landed cost of the blankets.

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E. HOUSING.

19. A report on the housing situation in Italy has now been completed, the results of which reveal the extent of Italy's housing problem, in that 3,200,000 new rooms are needed, the estimated cost of which is 640 million lire. The report includes chapters on the housing situation in Italy before World War II, the War damage and destruction to houses (1940-45), the housing reconstruction problem, and UNRRA's contribution towards housing reconstruction (1946). The last refers particularly to the UNRRA/USIAS housing projects which are a small beginning to help in this field. The implications of a possible increase in the housing program using the Lire Fund, are important to the general industrial and economic rehabilitation of the country, since the building industry is the largest consumer of industrial goods, of which the reviving Italian industry is beginning to produce enough to justify a more comprehensive housing program.

F. COAL.

20. The receipt of supplies created a record this month, with a total of more than 1,150,000 tons. 114 ships carried coal alone, a total of 888,000 tons. Allocations from the European Coal Organization for August were 540,000 tons, with average expectations for the four remaining months at 600,000 tons per month.

G. 1946 PROGRAM OF IMPORTS.

21. The final revision of the Mission Import Program for 1946 is nearing completion. All detailed information available in the Mission for past expenditures and remaining funds on each commodity is now available in the readily accessible form of a visible card-index system.

H. STATISTICAL REPORTING.

22. Emphasis is being placed on the refining of existing statistical reporting and on the provision of a more frequent series of reports covering wider fields. Dissemination is now channelled through the loose-leaf collection of Requirements and Distribution Statistics, distributed in over 120 copies in and out of UNRRA. New services compiled and distributed included a detailed summary of UNRRA imports for the period 1 January - 30 June to replace the previous monthly reports, a vessel clearance report which is issued almost daily, and a resume of the regular receipts-against-program report now issued in 10-day intervals.

23. Special statistical studies included investigations on the distribution costs of POL and foodstuffs to determine the amounts which accrue to the Lire Fund; on the checking of the cost of food purchased locally against the UNRRA Welfare program in 1945 and 1946; and on the checking of UNRRA import figures as submitted by ICE (Istituto Commercio Estero - Foreign Trade Institute), the Government's receiving agent.

J. PRICE CONTROL.

R. COLL.

G. 1946 PROGRAM OF IMPORTS.

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J. PRICE CONTROL.

24. Price Committee meetings after exhaustive study and considerable discussion in each case, have fixed the prices of the following commodities: POL, colophony, corn syrup, rubber, denatured alcohol, forage pea seed, benzol, toluol, tin plate, opencast coal, and three-bottom and two-bottom plows. (See Section VI, Distribution and appendix for details). Special Sub-Committees were established to

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investigate the price of chemicals, copra and wheat and to discuss the overhead expenses of the Federazione of Agricultural Institutes).

K. MISCELLANEOUS.

25. Work is continuing on a report listing the commodities which may be imported or exported in accordance with the terms of the various commercial and payments agreements concluded between Italy and other countries. In addition, a report has been prepared summarizing the Italian Government regulations of the import and export trades. This will be used as a basis in the advisory work being done on the post-UNRRA period.

26. The status of the transfer of supplies for Camps, Welfare and Administrative Services has been almost completed. The procedure for further procurement of supplies for Camps, Welfare and Administrative Services has been established by the publication of Administrative Order No. 150.

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II. REQUIREMENTS AND PROGRAM

A. 1946 UNRRA AND ABOVE UNRRA

7. Food

27. At the beginning of the month the problems connected with the UNRRA Food Import Program for the second half of 1946 became acute. As a result of shipments of unprogrammed commodities and some over-shipments of programmed items, it became obvious that the most essential item in the Second Half Import Program, i.e. cereals, was in danger of not being fulfilled because of lack of funds in the Food Budget. There also appears danger of further quantities of unwanted items being shipped and of some programmed items, other than wheat, being shipped in excess of the quantity originally requested. The position was reviewed in the Mission; as a result of this and consequent visits by Mission personnel to Geneva for personal discussions with Mr. Cairns, what appears to be a satisfactory solution has been reached. First - the food items yet to be shipped will conform to a very large extent to the pattern of the balance of the 1946 program not yet shipped. Second - We are assured that the 750,000 tons of cereals on the original program for the second half of 1946 will be sent, even if procurement and shipping have to be carried out after the 31 December, 1946. This will mean the total Food Budget for the year going up to 241,200,000 dollars, an increase of 15,500,000 dollars on the former figure of 195,700,000 dollars. It has been agreed that the money will be transferred from other commodity budgets to meet this extra commitment.

Agriculture

28. Final revisions were agreed with the Italian Government during the month with respect to the Agricultural Import Program and major changes were notified to Washington. These were chiefly in the fields of seeds, where imports of seed potatoes were reduced; fertilizers, where a saving is being effected by a reduction in the requirements of potash fertilizer; farm machinery, where tractor requirements were reestimated; and several other miscellaneous items found to be in excess of Italian requirements.

Medical Supplies

29. Word has finally been received that Dobbin's sprayers which are fundamentally necessary to the operation of the Sardinia Malaria Eradication Program, are unprocureable. The Rockefeller Foundation, which sponsored the operation, has been notified, as lack of these spares may make it impossible to complete the plans for the first year's operation. Further studies are being made of requirements for the second half year's operation.

Procurement of Surplus Property

30. A report by the representative who attended the Paris Surplus Conference and Allocation Board Meetings revealed that an unexpectedly high percentage of surplus property, particularly port equipment, was obtained for Italy. Personal supervision of the shipment of this surplus property from France is being made. The final budgetary adjustments to the tabulation of surplus commodities have not yet

Budget. There also appears danger of further quantities of unwanted items being shipped and of some programmed items, other than wheat, being shipped in excess of the quantity originally requested. The position was reviewed in the Mission; as a result of this and consequent visits by Mission personnel to Geneva for personal discussions with Mr. Cairns, what appears to be a satisfactory solution has been reached. First - the food items yet to be shipped will conform to a very large extent to the pattern of the balance of the 1946 program not yet shipped. Second - We are assured that the 750,000 tons of cereals on the original program for the second half of 1946 will be sent, even if procurement and shipping have to be carried out after the 31 December, 1946. This will mean the total Food Budget for the year going up to 244,200,000 dollars, an increase of 15,500,000 dollars on the former figure of 195,700,000 dollars. It has been agreed that the money will be transferred from other commodity Budgets to meet this extra commitment.

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Industrial Supplies

31. The two most important arrivals in the chemical field during the month were 4,000 tons of calcined petroleum coke for the production of carbon electrodes and 100 tons of alcohol for medical uses.

32. The first samples of margarine produced from UNRRA imported copra have been examined, and tests have proved very satisfactory. A total 10,412 tons of copra has actually arrived and the processing into margarine should commence during the early part of September.
33. The Ministry of Industry and Commerce decided at a meeting held on 6 August 1946 that a total of 3,000 tons of tin plate would be produced in Italy during September and October.
34. Shipments received during the month of gasoline, kerosene and diesel oil equalled the full quantities due in. Fuel oil receipts made up for the short deliveries for July, and, with the exception of one ship, also covered the "dues in" for August. Several lots of packed lubricants and greases arrived, the details of which are at present being checked. The backlog which at one time was extremely heavy is now almost cleared.

B. POST UNRRA

35. A working committee has been formed of UNRRA and Italian Government representatives to advise the Government on the establishment of programs for commercial shipments and Government importations during the last quarter of 1946 and especially after January 1947, with the object of avoiding any break in the supply lines of essential commodities. Weekly meetings with the Italian Government on this subject are being held.
36. Worksheets containing estimates of total Italian import requirements for 1947 have been despatched to the North Italy Industrial Office and all Regional Directors, as well as to the appropriate Italian Government Ministries for the purpose of obtaining the widest possible cross-section of thinking on this subject. A great deal of research and study has also been made on Italy's possible export trade for 1947, based not only upon her import needs, but upon the export business resulting from indigenously produced raw materials. A revision of Italy's post-UNRRA needs in the fields of food and agriculture was submitted to the Council at Geneva early in the month, and further justifications in greater detail are being prepared.

C. LIRE FUND PROJECTS

37. In cooperation with the Italian Delegation, work has commenced on an estimation of the size of the Lire Fund at the end of UNRRA operations. While attending the Council Meeting at Geneva, the Chief of Mission presented his views on the use of the Lire Fund to the Personal Representative of the Director General. Using this memorandum as a basis, all Divisions of the Bureau have been requested to submit comments which are now awaited.
38. The chief project handled during the month was the preparation of the application to the Lire Fund Control Committee for the immediate grant of 1,650 million lire and the agreement, in principle, to the ultimate granting of an estimated 3,000 million lire; these sums to form successively a revolving fund to finance the manufacture of, first, the 3,000 tons of cotton (See Section VI - E) and finally the total quantity of UNRRA cotton. In addition there was considerable discussion of the use of the Lire Fund to defray post unloading charges, and part of the freight on Italian flag vessels chartered

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III. PORT AND SHIPPING ACTIVITIES

39. August receipts of supplies imported through Italian ports total well over one million tons, representing acceptance of some

175 vessels of which over 75% were total or partial URRRA cargoes. Advance estimates of September arrivals indicate next month's reception will be even greater with coal receipts expected to reach 750,000 tons.

40. The heavy import program coincidental with internal rail movements of agricultural and manufactured goods resulted in serious difficulties in port clearance. Due to shortage of rail cars backlogs of coal were built up in Venice, where 52,000 tons accumulated, and smaller amounts in other ports. Immediate action was taken by URRRA, and is continuing in conjunction with the Italian Government, to secure more rail cars for the import program as well as move cargo whenever possible by truck, coasters and barges.

41. The survey of requirements of Italian ports was completed and co-ordinated with the investigation of available equipment in the European theater. The Divisional Representative sent to France to inspect, procure and arrange for delivery of cargo handling and warehouse equipment available within the LTO surplus allocation for Italy, completed his work and is now collaborating with the Italian Government on the preparation of distribution and allocation plans. Shipment of approximately 2,500 tons of port and warehouse gear is expected from Paris SURPRO during the next month. This, in addition to the surplus port equipment transferred to the Italian Government from Allied military sources, will, when distributed, increase Italian port efficiency to a considerable extent.

42. Naples warehouses continue to be somewhat congested by miscellaneous unprogrammed and unwanted items for which distribution plans are necessarily delayed. Increased use is being made of coasters in this area for port clearance of supplies to other coastal points from which on-movement can be made by road. Plan for processing of URRRA imported cotton, upon which agreement has been reached between this Mission and the Italian Government, is expediting clarification of warehouse situation in Genoa. It is estimated that by the end of next month the Genoa cotton warehousing problem will have been solved.

IV. TRANSPORTATION

A. RAIL

43. The chief limiting factor in the movement of goods is still the short supply of rail wagons, and it is only by strict observance of priorities, continual attention to economy in wagon use and careful distribution that it has been possible to keep essential traffic moving. The average daily loading during August was 5,439 wagons, a slight decrease over July's high figure of 5,600.

44. The constant increase in demand for rail transport has made it necessary to review and re-organize procedure with the object of co-ordinating all demands for transport with all means of transport. This will ensure that the fullest use is made of services other than by rail (viz. road, canal and sea) thus relieving the burden on railways and enabling them better to accommodate traffic which must be rail-borne.

45. No serious operational difficulties arose. Locomotive power was in sufficient supply and co-operation of the Ministry of Transport

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45. No serious operational difficulties arose. Locomotive power was in sufficient supply and co-operation of the Ministry of Transport and the Italian State Railways with respect to transport of UNRRA supplies continued effectively.

B. ROAD

46. A survey of local road transport conditions was completed for Southern, Toscana and Abruzzi regions and Sicily.

47. During the month, by Governmental decree, a new agency, ENIT AUTOTRASPORTI, (ENI - Institute of Auto Transport), was set up to

replace ENTE NAZIONALE AUTOTRASPORTI COSE (ENAC - National Auto Transport Institute). The new agency takes over ENAC offices, retains part of its personnel, and is responsible for the distribution of POL and tyres to truck operators. ENAC will also control trucks originating from captured enemy material assigned to private firms or individuals.

48. Several meetings were held during the month to plan greater utilization of road transport for docks clearance. It is anticipated that within a week or two Italian Government Pools (GRA), will be using the greater part of their fleets on this work. The port of Genoa is now clearing about 30% by road and it is proposed to employ road transport for limited radius clearance of all ports handling large tonnages.

V. PURCHASES WITHIN MISSION TERRITORY AND INTER-MISSION TRADE

49. The most important activities this month have been relative to the proposed procurement of some 42,700 tons of seed wheat against equal replacement of milling wheat plus a bonus in free funds to cover the cost differential. A liaison visit was made to this mission by Mr. J. J. Dake, Chief Agricultural Supply Officer, ERO and Mr. E. Patterson, Seed Expert from Headquarters, for the purpose of discussing this negotiation. A number of meetings were held with representatives of Italian Ministries concerned. Final agreement reached was that Italy should furnish 10,000 tons of seed wheat against a ton for ton replacement of good quality milling wheat plus an ERO proposed bonus of \$ 36 per ton; transport and handling expenses to be paid out of lire proceeds of sale. ERO has been requested to increase the differential payment to \$ 40 per ton and procurement has begun.

50. The procedure followed with regard to documentation of procurements for other missions has been set down for record purposes and agreed with the Italian Government. The question of transportation and handling charges for commodities purchased in Italy for other missions has been the subject of numerous discussions between this Bureau and the Italian Delegation. A recommendation has been forwarded to the Lire Fund Control Committee that a contingency fund of 100 million lire be established to cover such charges. No decision has yet been reached.

Completed purchases:

X ray tube for Albania, cost 39,000 lire.

Purchase a freed and under procurement:

10,000 tons seed wheat.

Negotiations in process:

Diesel and miscellaneous spare parts for Albania
(total requirements \$ 380,777)
8,000 tons sulphur for Czechoslovakia
2,000 doses antismoke serum for Albania
367 tons carbon bisulphide for Austria, Albania,
Jugoslavia
5 tons lotus corniculatus for Greece
400 biovoles for Greece, Jugoslavia and Albania

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367 tons carbon bisulphide for Austria, Albania, Yugoslavia

Jugoslavia

5 tons lotus corniculatus for Greece

490 bicycles for Greece, Yugoslavia and Albania

298 tons cork for China, Greece, Yugoslavia, Dodecanese, Poland

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Electrical equipment for Dodecanese

Paper for sericulture (50,000 sheets) for Greece

2/300 tons alfalfa

1,000 plough shares for Dodecanese (not yet authorized)

100 tons hemp seed for Czechoslovakia, Yugoslavia

51. Enquiries have been received from Austria reference 1,000 tons of lemons, 300 tons of onions and 800 tons of tomatoes. Prices have been quoted.

VI. DISTRIBUTION.

DISTRIBUTION REPORT NO. 3.

Background.

52. The work of expanding and standardizing reporting on the distribution of UNRRA supplies in Italy got well under way during August. Detailed instructions for reporting data in accordance with requirements from ERO were issued to the sub-bureaux and a revised outline for monthly reporting by the sub-bureaux was prepared to provide for consolidating this data in one section of the Bureau Monthly Report. This section will have a monthly supplement containing statistical and other supporting data for which there is a necessary time lag. Plans have been made for continuous refining of data to be presented in these reports and investigations are currently under way to determine the cases in which the distribution of supplies can be traced to the final consumer. The program of standardizing regional reporting along the lines required by revised distribution reporting got under way with a discussion of the new procedures at the Headquarters conference of the Agricultural Regional Specialists.

53. Each distribution section of the monthly report will be numbered beginning with this "Distribution Report No. 3". "Distribution Report No. 1" which describes the basic allocation and distribution procedures and provides a framework for the monthly reports was brought near completion during August. In addition, work was begun on "Distribution Report Number 2" a consolidated report of distribution problems and accomplishments through the month of July.

54. The Observation of Distribution Unit from ERO visited the Mission during the month. Miss Shufeldt, Mr. Petrov and Mr. Anker were interested in the entire procedure for distribution of relief and rehabilitation supplies brought to Italy by UNRRA. They were particularly concerned with the application of Council Resolutions Nos. 2 and 7 and with the Mission's arrangements for observing and checking the distribution of supplies.

55. The Unit visited Southern and Northern Italy and talked with dozens of people - Mission personnel, Italian Government and Embassy officials and Italian citizens in many occupations.

56. The Unit emphasized in final conversations with the Mission its concern about the cost-of-living squeeze which makes it possible for the average consumer to buy only an insufficient quantity of food, and to fill virtually no consumption needs outside the food category.

57. Of particular concern to the Unit was the lack of control of certain basic items (indigenously produced) such as clothing and shoes and some foods. On this score, the Mission's recent agreement with the Government for the production and distribution of low-cost clothing made of UNRRA-imported cotton was reassuring. It is expected that the distribution of this clothing to selected low-income groups will help bring down the price of other clothing items.

58. A similar plan is under consideration for production and distribution of shoes from UNRRA-imported leather.

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59. The black market in gasoline brought criticism from the Unit which felt that this could be cracked if the Government took stern measures. Since by far the largest part of this gasoline comes from military sources, military assistance would probably be required to clean up the black market.

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60. As for Mission organization to observe distribution, the work of the Regional Officers was pointed out as of particular interest. The instructions to the Food, Industrial and Agricultural Specialists emphasize that they are to check continually on the distribution of supplies and to report any breakdown in distribution or indications of unfair allocations or deliberate attempts to misdirect UNRRA supplies.

61. In addition, it was pointed out that the main job of the operating divisions is to see to it that supplies are distributed according to allocations plans that abide by UNRRA principles. A group recently set up in the office of the Deputy Chief of Mission and Chief, Bureau of Requirements and Distribution, will coordinate and check still further on distribution policies and plans.

62. The Unit apparently found no evidence that UNRRA supplies were being used for political purposes or misdirected in any way contrary to UNRRA principles.

A. FOODSTUFFS.

Attention in System of Distribution.

63. No alterations in the system of distribution were effected during the month for basic food items, except in the case of indigenous sugar now being produced. The distribution of this sugar from manufacturer to wholesaler and retailer is in the hands of the Supply of Beet and Sale of Sugar Institute (Associazione Approvvigionamento Bietole e Vendita Zucchero) in place of the Federconsorzi, which handles only imported sugar. The system of allocations and release authorizations remained unchanged.

Allocation Procedure for Corn Syrup and Copra.

64. Slight departures from the normal allocating procedure have been necessary in regard to corn syrup and copra.

a. Corn syrup has been imported against the UNRRA-Italian food budget, and as a considerable proportion of the total (some 20,000 tons) can only be consumed as a sweetening element in industrial food processing, the allocations to industries are the responsibilities of the Ministry of Industry and Commerce and subject to agreement by the High Commissioner for Food and UNRRA. Bulk releases for industries are then made by the High Commissioner for Food. Allocations to individual industrial firms are made through the machinery of the Ministry of Industry and Commerce.

b. Copra has also been imported on the food budget, although it is a primary industrial material. In this case the SNAG (Societa' Nazionale Approvvigionamento Grassi - National Association for Oils and Fats) allocates, in agreement with the High Commissioner for Food and UNRRA, to the processing firms. The control of the copra during manufacture, and of the finished products, has also been vested in SNAG. The final allocation to provinces and distribution to consumers follows the normal procedure.

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Disposal of Spoiling Foodstuff.

65. The procedure for disposal of spoiled and spoiling foodstuffs has been instigated by the High Commissioner for Food. A new circular of instructions has been issued to all the Italian agencies concerned down to provincial levels.

66. The National Commission, established at the suggestion of UNRRA on 27 June 1946 to clear up outstanding questions regarding food spoilages, continues its work. This Commission is composed of representatives of the High Commissioner for Food, the Italian Treasury, the Federconsorzi, the Italian Delegation and UNRRA, and has full authority to act on the spot. The most recent meeting of this Commission was held on 28 August at Bari.

Allocation Plans.

67. Principal new allocations of imported foodstuffs made during August were:

Commodity	UNRRA "Assistance in kind" Program	Quantity (in net metric tons)	
		Normal Consumers (Including supplementary rations)	Special Classes
Meat, Fish	689 tons	--	1,399
Powdered Eggs	690 "	--	2,411.
Dried Vegetables	69 "	--	--
Powdered Milk	2,600 "	--	2,470 x
Sugar	585 "	13,498 x	--

x = Indigenous new crop sugar.

Prices Fixed and Principles Involved (1)

68. The only food prices fixed during August were the prices for corn syrup.

- a. The prices fixed were as follows:
35 lire per kilogram ex warehouse, for direct consumption,
50 lire per kilogram ex warehouse, for industrial uses.
- b. The factors taken into account in establishing the price of corn syrup for direct consumption were the strangeness of the product to the Italian consumer; the sweetening value, which is 50% less than that of sugar; and the price of the new crop of indigenous sugar. As far as industrial use was concerned, the acute shortage of sweetening agents available for manufacturers, and their greater ability in employing various types of sweetening agents, justified a higher price than that for direct consumption. The lower sweetening value and the price of indigenous sugar was also taken into consideration.

Observation of Distribution.

69. The following action was taken by the Food Division during the month to implement the observation of food distribution:
 - a. Instructions (agreed in detail with the High Commissioner for Food) to Regional Food Distribution Officers, outlining their duties and reporting procedure, were sent to all Regions.

Commodity	UNRRA "Assistance in kind" Program	Quantity (in net metric tons)	
		Normal Consumers (Including supplementary rations)	Special Classes
Meat, Fish	689 tons	--	1,399
Powdered Eggs	690 "	--	--
Dried Vegetables	69 "	--	2,411
Powdered Milk	2,600 "	--	--
Sugar	585 "	13,498 x	2,470 x

x = Indigenous new crop sugar.

Prices Fixed and Principles Involved (1)

68. The only food prices fixed during August were the prices for corn syrup.

a. The prices fixed were as follows:

35 lire per kilogram ex warehouse, for direct consumption,
50 lire per kilogram ex warehouse, for industrial uses.

b. The factors taken into account in establishing the price of corn syrup for direct consumption were the strangeness of the product to the Italian consumer; the sweetening value, which is 50% less than that of sugar; and the price of the new crop of indigenous sugar. As far as industrial use was concerned, the acute shortage of sweetening agents available for manufacturers, and their greater ability in employing various types of sweetening agents, justified a higher price than that for direct consumption. The lower sweetening value and the price of indigenous sugar was also taken into consideration.

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c. Six Regional Food Distribution Officers were appointed, three of whom were former Harvest Liaison Officers and two of whom were former Field Supply Officers. Those Food Distribution Officers who had not had much previous experience in observing food distribution in the field spent a period attached to the different branches of the Food Division at Headquarters prior to taking up their appointments. It is considered that this period of instruction will prove valuable both to them and to the Mission in regard to their carrying out their work in the Regions.

d. During the month all regions were regularly supplied with the latest information from the High Commissioner for Food on receipts of imported foodstuffs, movement of foodstuffs from port and/or national warehouses, and allocations to Sepnals, Provincial Welfare Committees, and ministerial and industrial "co-operativa" entitled to receive direct allocations.

Irregularities in Distribution and Remedial Steps Taken.

70. The only reported irregularities in distribution during August related to the Prefect of Cremona Province, who had authorized the milling of flour for bread at an 80% extraction rate. On 26 August a letter was written to the High Commissioner for Food bringing the matter to his attention and suggesting that rigorous action be taken.

Measures to Ensure Full Use of Indigenous Sugar and Cereals.

71. Steps taken during the month to ensure full and equitable use of indigenous supplies related to sugar and to cereals.

a. A national plan for the distribution of indigenous sugar has been prepared by the High Commissioner for Food, covering the four months period August through November. The plan is based on a normal consumer's ration of 300 grams per month, plus existing supplementary scales and special classes requirements. A total of some 48,000 tons of sugar is involved in this distribution.

b. A comprehensive plan for the distribution of indigenous bread cereals is awaited. It has not been possible to date for the office of the High Commissioner to draw this up, as it is yet too early accurately to forecast the final result of wheat harvest. However, on the basis of provisional plans, interregional movements from surplus to deficit areas, in order to maintain the ration, are already under way. During the period 1 July to 8 August 40,000 tons of wheat was moved in this manner.

Action Against the Black Market.

72. Listed below are a few of the major cases reported during the month, of action taken against the Black Market:

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- d. During the month all regions were regularly supplied with the latest information from the High Commissioner for Food on receipts of imported foodstuffs, movement of foodstuffs from port and/or national warehouses, and allocations to Septrals, Provincial Welfare Committees, and ministerial and industrial "co-operative" entitled to receive direct allocations.

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72. Listed below are a few of the major cases reported during the month, of action taken against the Black Market:

- a. The Reggio Provincial Economic Police, in a brilliant raid in collaboration with the Public Safety Department, identified a vast organization of black marketeers who were carrying on illicit traffic in flour on a vast scale. One of the culprits arrested confessed, naming various millers in Reggio Province through whom flour had been procured in large quantities and sold to the black market.

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- b. The police of Ferrara Province seized the following goods:
- 1,559 quintals of wheat, 339 quintals of barley, 449 quintals of flour and 63 quintals of pasta.
- c. At Modena from the beginning of the wheat drive the police detailed for the black market campaign seized the following quantities of cereals:
- 284 quintals of wheat, 49 quintals of barley, 13 quintals of maize and 138 quintals of wheat flour.
- d. The rationing police closed in Bologna a bakery where rationed bread was being sold at 35 lire per kilogram and pasta without coupons at 110 lire per kilogram.

B. AGRICULTURAL SUPPLIES.

Allocation Procedures for Nitrogenous Fertilizers.

73. While no alteration was made in the basic system of distribution, at the suggestion of UNRRA distribution of nitrogenous fertilizers was again placed by the Italian Government under the "buono" or coupon system. This was done to prevent speculation arising from inadequacies of supplies on hand to meet current requirements and in an attempt to assure that fertilizer will be used on the autumn cereals subject to the annual.

Allocation Plans for Ammonium Nitrate and Red Clover Seed.

74. a. During the month allocations plans were prepared for 9,533 tons of ammonium nitrate arriving from the US. The overall plan for the distribution of red clover seed was prepared and the seed, which is arriving in small lots, will be shipped to the provinces in accordance with this plan.
- b. Tractor Pools: Planning of tractor pools was carried into its final stages. UNRRA-imported tractors will all be used in the pools. Final plans of operation of pools are now awaiting signature of the Ministry. In these discussions visiting experts assisted the Ministry with information on methods in the UK and in Jugoslavia. UNRRA experts toured Italy, getting samples of the farmers' reactions and wishes on this subject.

Prices Fixed and Principles Involved. (1).

75. The only new prices fixed during August were for two-bottom and three-bottom plows, established at 55,000 and 80,000 lire apiece, respectively. These prices were based on weight and quality. They also represent a compromise between the price suggested by UNRRA and domestic prices.
76. In addition, the price of forage pea seed, previously limited to 31 July, was extended to 15 September.

Observation of Distribution.

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Observation of Distribution.

77. A specialist from the Agricultural Division in Rome checked at Genoa and Naples the arrival of farm machinery, fertilizers and seed. The Ministry has not yet decided on the plans for the distribution of machinery arrived during the month of August.

(1) A complete list of up-to-date food prices is appended to this report.

78. Spot checks of the distribution of seeds and fertilizers were made at provincial communal warehouses by the Regional Agricultural Specialists in Tuscany, Emilia, Liguria, Piemonte, Lombardia and Venezia. No irregularities or objectionable practices were discovered.

Measures to Ensure Full Use of Indigenous Superphosphate.

79. In an attempt to secure full and prompt use of domestically produced phosphate, UNRA and the Government have agreed to the removal of rationing, retaining, however, a ceiling price for the product ex factory. Requirements and supply should approximately balance at 600,000 tons for the autumn season.

80. This action to free the superphosphate market was taken in view of large stocks on hand and pessimistic estimates of the probable sale (taken in view of its price). Its use is being watched, and further steps will be taken if necessary. In addition, the distribution plans of the Government for domestically produced nitrogenous fertilizers have been reviewed by UNRA and agreement, in principle, reached that the distribution of imported fertilizers would be integrated with the distribution plans for the domestically produced fertilizers in order to minimize the transportation problem and, at the same time, effect maximum results from the fertilizers.

C. COAL.

Allocations.

81. Allocations for the month of August were based on the minimum expectations conforming with 200 allocations of 540,000 tons allotted to the Italian economy. The excess was stockpiled pending a decision as to supplementary allotments as between the railways and other civil consumers.

82. The allocation for the month of September was made on a basis of 600,000 tons; it was suggested that this figure be the basis for future monthly allocations for the months of October, November and December, it being the average of availabilities for this period.

Spontaneous Combustion Problems.

83. Spontaneous combustion difficulties were effectively checked in the Naples area by the issue of old stocks and the withholding of further incoming supplies for railways and general civil use. An exception was made in the case of presumed coking coals destined for ultimate use by Societa' Ilva at Bagnoli. At Venice, ignited stocks also presented difficulties which were aggravated by port clearance hindrances arising out of the shortage of railcars. The situation was promptly reviewed. With the assistance of road transport vehicles and by lightering fresh supplies to Padua where a new dump was created, the position was substantially eased.

Prices.

84. The price of low-grade open cast coal from the UK was fixed at 2,450 lire per ton, at port to manufacturer. This price was fixed in relation to the calorific content of coal.

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D. P.O.L.

Reactivation of Italian Oil Refineries.

85. During the month negotiations between the British and American Embassies and the Italian Government proceeded to a point where final concurrence was reached on policy matters concerning the reactivation of Italian oil refineries. These negotiations settled all points

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pertinent to the terms of settlement to be followed in connection with foreign-owned properties in Italy. Also, the Army and Navy Petroleum Board, working with Peninsular Base Section (PBS), developed a satisfactory plan for the release of the necessary tankage by the Military to permit immediate operation of the Naples and Bari refineries. As a result of the completion of the above negotiations, necessary crude oil for starting the operation in these plants has been ordered, and it is hoped that sufficient stock will be on hand early in October to permit the initiating of production. The satisfactory completion of these negotiations concludes a rather long and difficult problem in the activation of this portion of Italian Industry.

Prices.

86. The following retail prices were established for POL during the month effective as of the first of September :

Diesel oil, 24 lire per litre

Gasoline, H.B., 27 lire per litre

Kerosene, 28,50 lire per kilogram

Fuel Oil, 8 lire per kilogram

87. These prices were set in view of estimated prices to be paid for similar imports in the post-UNRRA period and at a level which would permit refineries to operate without a loss. This latter is an important consideration as the importation of cheaper crude oil in place of refined oil releases foreign exchange for other uses.

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E. MEDICAL SUPPLIES.

Alterations in System of Distribution.

88. The one change made during the month in the system of distribution of finished medical supplies was the assumption by the Italian Government of the monthly distribution of penicillin, hitherto undertaken by the Medical Division. The expected distribution for August is 200,000 vials. This shift was the result of large increases in the amounts to be distributed, which the Medical Division is not equipped to handle, and the desire to transfer all functions possible to the Italian Government as UNRRA prepares to withdraw.

Beginning of the Fourth Distribution.

89. The third distribution of medical supplies has been completed, and the fourth is currently under way. A plan for the first part, the "general" distribution has been agreed upon by UNRRA and the Italian Government, and actual distribution has begun. Lists of items making up the second part, the "special" distribution, have been submitted to the Italian Government in order that allocation plans may be drawn up. The plans are expected to be completed at an early date and actual distribution will commence shortly thereafter.

Prices (1).

90. No prices for medical supplies were fixed during the month.

Operation of Distribution.

91. Observation of distribution in the provinces continued to be maintained by Regional Medical Officers with no irregularities in distribution reported.

F. CLOTHING, TEXTILES, AND FOOTWEAR.

THE COTTON TEXTILE PROGRAM.

92. During the month the cotton textile program moved well ahead. A preliminary agreement was signed by the Italian Cotton Association with the Ministry of Commerce and Industry for manufacturing the 31,000 tons of raw cotton imported in the 1946 program at an average price of 245 lire per kilo of finished textiles. The manufacturers agreed to undertake delivery of the finished material commencing in October 1946 and continuing through June 1947.

93. The Ministry of Industry and Commerce agreed that approximately one-third of the finished materials resulting from overall manufacture will be distributed free of charge to needy persons, hospitals, and other institutes. The remaining two-thirds will be sold at controlled prices to low-income groups, institutions etc. It is expected that the selling prices of the latter quantity will cover the manufacturing costs of the total quantity, but will recover nothing on the original cost of the raw cotton. The operation is therefore being subsidized by the fact of not recovering in the Lire Fund any of the cost of the raw material. Plans to establish the exact number and classes of persons and particular institutions to qualify for free distribution were studied during the month and brought near conclusion.

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94. Agreement was reached with the Ministry of Industry and Commerce for the first 8,000 tons of cotton to be made into cotton sheeting, shirting, madapolam for women's underwear, and flannelette for babies. It was estimated that the 700,000 kilos of cotton laid aside for babies' flannelette would be more than sufficient to take care of the specific Health program which is to provide 300,000 complete layettes for babies.

(1) A complete list of up-to-date prices for medical supplies is appended to this report.

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95. To manufacture 31,000 tons of cotton which, calculated at 84% yield, would produce approximately 26,040 tons of finished materials, would require the expenditure of 6,379,800,000 lire for the entire processing. Since returns from early sales can be used to pay the manufacturing costs during later months, it was calculated that the entire operation could be financed by a revolving sum of considerably less. The Lire Fund Control Committee was therefore asked for an immediate grant of 1,650,000 lire and the agreement, in principle, to the ultimate granting of an estimated 3,000 million lire; these sums to form successively a revolving fund to finance the manufacture of, first, the 8,000 tons and finally the total quantity of UNRRA cotton.

UNRRA - TESSILI

96. At the suggestion of UNRRA a special UNRRA-Tessili Committee was established by decree of the President of the Council of Ministers, to collaborate with UNRRA in carrying out the textile production and distribution program. This agency - similarly to CASAS - will supervise all details of production even after the time that the Italian Mission ceases its activity. It will also be charged with the supervision of processing wool and hides. It is composed of government representatives, including representatives of the Ministry of Industry and Commerce, the Ministry of the Treasury, and the Ministry of Post-War Assistance; two representatives of the Italian Delegation for Relations with UNRRA, and two representatives of the UNRRA Italian Mission.

FINISHED CLOTHING

97. See Report of Sub-Bureau of Relief Services.

G. OTHER INDUSTRIAL ITEMS

TIN PLATE

98. The latest arrivals of tin plate bring the total quantity imported into Italy up to 1,228 metric tons, of which 500 have been allocated and distributed to the fish canning industry. A thorough study of the tin plate production industry has recently been completed at the request of the Food Division, whose concern at the possible loss through deterioration of over 300,000 tons of food available for processing in 1946 due to a lack of tin plate for canning, formed the basis for the field study. The Ministry of Industry and Commerce decided at a meeting held on 6 August 1946 that a total of 3,000 tons of tin plate would be produced in Italy during September and October from imported ingots.

PRICES OF MISCELLANEOUS INDUSTRIAL ITEMS (1)

99. During the month the following prices were fixed:

- a) Denatured Alcohol, 200 lire per liter; ex consignee's warehouse (drums free). This price was based on the probable future price of domestic products and the need to sell it quickly.

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b) Rubber MS/Y standard quality (crude), 200 lire per kilogram, ex consignee's warehouse. This was based on the probable landed cost import price as of six months from now.

c) Colophony, 100 lire per kilogram ex consignee's warehouse, net weight including packing. This price took into consideration similar goods already on the market, slightly undercutting open market and YF prices.

(1) A complete list of up-to-date prices for industrial supplies is appended to this report.

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- d) Benzol, 55 lire per kilogram, FOB tanks - Toluol, 75 lire per kilogram, FOB tanks. These prices were fixed at a level somewhat lower than free market prices in an effort to bring prices down.
- e) Tin Plate, 100 lire per kilogram, FOB seller's warehouse. This price was established in relation to the price of tin plate indigenously produced, at a level to encourage maximum domestic production, domestic production being the most important factor in the tin plate program.

VII. AGRICULTURAL REHABILITATION ACTIVITIES (OTHER THAN DISTRIBUTION)

STATUS

100. The farm machinery industry is rapidly approaching complete self-sufficiency but always dependent on arrivals of coal. The estimated output of some items of machinery for 1946 are as under:

Mowers	Hay Tedders	Hay Rakes	Binders	Garden Tractors
10,600	650	2,000	350	340
Combined Seed Drills				Farm Tractors
4,000				3,130

Prices remain very high - mowers around 70,000 lire, 45 H.P. wheeled tractor 800,000 lire.

Livestock and Feeds

101. 5,078 tons of undecorticated cotton cake was imported from Egypt. Experiments were carried out on the processing of this cake in Italy and these experiments proved successful. The cake will therefore now be sold at 1,000 lire a quintal to 38 feed-mixing plants. The processed cake will be mixed with milling offals and pulses to ration formulas prepared by provincial inspectors. This high protein balancing cake will be invaluable for milk production rations. Distribution to the mixing plants is now taking place and the feed will be ready to commence autumn feeding of cows. A further 4,000 tons it is hoped will be imported from the same source. Italy was requested by Washington to stockpile in refrigeration 100,000 doses of rinderpest vaccine for use in Mediterranean countries. The request was reluctantly refused as refrigeration space is not available here. Prices of stock remains very high - oxen seen up to 400,000 lire a pair; good milk cows up to 90,000 lire a head.

B. MAJOR PROBLEMS AND ACCOMPLISHMENTS DURING THE MONTH

Revision of Import Program

102. The import program was completely revised with the Ministry experts. Dr. Hammond, world famous livestock expert of Cambridge University assisted in discussions with the Italian Government for preparation of a plan for using imported pedigree stock. The plan will be in four parts:

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- Foundation stock to restock Government Institutes;
- Male stock for use in breeding stations where bulls are kept for service for hire. Stallions in stallion depositories, from which the stallions go on tour.
- Artificial Insemination stations.

- d. Private Breeders. Male stock will be sold to selected private breeders at favorable prices on a contract that gives the pick of the male progeny to the state for five years for stallions and bulls and three years for rams and boars. The numbers, selection and prices of such male progeny will be arranged by a joint commission of Ministry experts and breeders.

Farm Machinery Assistance

- a. UNRRA experts supervised the erection of combine harvesters, ran demonstrations of machines, and gave courses of instruction to Italian mechanics.
- b. UNRRA experts carried out demonstrations of UNRRA-imported two-furrow tractor plows.

Conference of Agricultural Specialists

103. A second two-day conference of Regional Agricultural Specialists was held - Regional requirements were discussed and regulations for more stringent supervision of supplies were laid down. Enquiries to be made into fertilizer utilization and a method of checking POL requirements were also discussed at the Conference in detail. A recommendation from the conference on inadequate control of Agriculture POL is being sent to the Ministry.

Livestock

104. A serious outbreak of hog cholera was reported in Lazio. An UNRRA vet, surgeon investigated and found in the commune most infected that no veterinary surgeon was available. He, therefore, personally took charge of the situation, and much serious loss was averted. Arrangements were made for air transport of 100 liters of foot and mouth disease vaccine to Austria; this was done on a request to this Mission by A.M.G. Austria.

Fertilizer Investigation and Action Taken

105. Detailed investigations have been carried out on requirements, supplies and farmers' demands for fertilizer, particularly as regards the complete utilization of phosphates in this autumn planting. Comparative prices, farmers' opinions on buying at present prices and commercial opinion on possible demand have all been investigated. Buying of phosphate was being held up by high price, rail wagon shortage and bottle-necks by ~~ports~~.

106. Action taken has been UNRRA agreement with the Ministry to free the phosphate market from controls, retaining price control only, so allowing commercial channels to operate establishment of a price ex-factory unbagged which has dropped the price one third, and placing of a priority on rail movement of all fertilizers. A continued close watch is now being maintained to gauge the volume of sales during a trial period.

107. A full conference with the Ministry is arranged for 15 September and UNRRA is preparing for its investigations to be ready

- b. UNRRA experts carried out demonstrations of UNRRA-imported two-furrow tractor plows.

Conference of Agricultural Specialists

103. A second two-day conference of Regional Agricultural Specialists was held - Regional requirements were discussed and regulations for more stringent supervision of supplies were laid down. Enquiries to be made into fertilizer utilization and a method of checking POL requirements were also discussed at the Conference in detail. A recommendation from the conference on inadequate control of Agriculture POL is being sent to the Ministry.

Livestock

104. A serious outbreak of hog cholera was reported in Lazio. An UNRRA vet. surgeon investigated and found in the commune most infected that no veterinary surgeon was available. He, therefore, personally took charge of the situation, and much serious loss was averted. Arrangements were made for air transport of 100 liters of foot and mouth disease vaccine to Austria; this was done on a request to this Mission by A.M.G. Austria.

Fertilizer Investigation and Action Taken

105. Detailed investigations have been carried out on requirements, supplies and farmers' demands for fertilizer, particularly as regards the complete utilization of phosphates in this autumn planting. Comparative prices, farmers' opinions on buying at present prices and commercial opinion on possible demand have all been investigated. Buying of phosphate was being held up by high price, rail wagon shortage and bottle-necks by controls.

106. Action taken has been UNRRA agreement with the Ministry to free the phosphate market from controls, retaining price control only, so allowing commercial channels to operate establishment of a price ex-factory unbagged which has dropped the price one third, and placing of a priority on rail movement of all fertilizers. A continued close watch is now being maintained to gauge the volume of sales during a trial period.

107. A full conference with the Ministry is arranged for 15 September and UNRRA is preparing for its investigations to be ready for this date.

VIII. INDUSTRIAL REHABILITATION ACTIVITIES (OTHER THAN DISTRIBUTION)

A. STATUS

108. The constant recurrence of problems of industrial reactivation and their impact on the Italian economy as a whole has made necessary the institution of an office of Industrial Economics, within the Sub-Bureau of Industrial Rehabilitation, which is charged with the responsibility of carrying out economic and technical industrial

studies in conjunction with the various technical Divisions. Active studies are at present going on in the field of the iron and steel industry, one of the most complicated rehabilitation problems which faces Italian economy today. Efforts are being made to lay down criteria for the calculation of general industrial indices in order that some sensible and reasonably accurate gauge may be available to estimate the degree of reactivation of each individual industry from time to time.

B. MAJOR PROBLEMS AND ACCOMPLISHMENTS DURING THE MONTH

109. The outstanding achievements have been (1) completion of the organization of the UNRRA-Tessili Committee and the finalization of the agreement with the Government (See Sections I-D and VI-E for more details); (2) concurrences of the British and American Embassies and the Italian Government on the reactivation of the Italian oil refineries (See Section VI-D for more details); and (3) the progress made in the penicillin plant project.

110. Based upon information obtained in Toronto, Canada, at the penicillin plant of the Comaught Laboratories, the design of a building for housing the plant which UNRRA is furnishing to Italy has been started by the engineering staff of the Institute of Public Health. This work will thus be able to go forward during the three months' training period of Italian technicians in Toronto, who will be able to acquire full technical knowledge of the equipment and operation of the plant while in training. It is hoped that the first shipments of equipment of this plant will occur during September.

HARLAN CLEVELAND,
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UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION
ITALIAN MISSION - ROME

4 September 1946

PRICES OF UNRA SUPPLIES

as agreed upon

by the Italian Government & the UNRA Italian Mission

COMMODITY	PRICES IN LIRE	REMARKS
General		
1. Tinolate	45 per Kg.	To canning manufacturers. (This price was limited to 300 tons imported for the preservation of fish. All 300 tons have been sold.)
2. Trailers, one-ton cargo, two wheels with tires	100 a/ per Kg. 55,000 each	FOB seller's warehouse. Ex-distribution centers
Food		
1. Corn Syrup	35 per Kg.	For direct food consumption with controlled distribution. Price valid to 30.11.46 (See also Industrial Rehabilitation).
Agricultural Rehabilitation (All sales to farmers, and prices ex-consignee's warehouse unless otherwise stated)		
1. Ammonium Nitrate, base 34-35%	2,400 per quintal	Original weight including packing.
2. Binders, Wheat (Deering, Massey-Harris)	70,000 each 85,000 "	With cutting bar of 1.52 " " " 2.10 These prices valid to 15/7/46
3. Cotton Seed Cake	1,000 per quintal	FOB feed-mixing plants.
4. Mowers (Deering, Bamford, Cockshutt)	35,000 each	
5. Ploughs (Massey-Harris, 2-bottomed model)	55,000 each 80,000 each	

MARKS

PRICES IN LITE

COMMODITY

General

1. Tinplate
45
per Kg.
To canning manufacturers.
(This price was limited to 300 tons imported for the preservation of fish. All 300 tons have been sold.)

100 a/
per Kg.
FOB seller's warehouse.

2. Trailers, one-ton cargo, two wheels with tires
55,000 each
Ex-distribution centers

Food.

1. Corn Syrup
35
per Kg.
For direct food consumption with controlled distribution. Price valid to 30.11.46 (See also Industrial Rehabilitation.

Agricultural Rehabilitation (All sales to farmers, and prices ex-consignee's warehouse unless otherwise stated.)

1. Ammonium Nitrate, base 34-35%
2,400
per quintal
Original weight including packing.

2. Binders, Wheat (Deering, Massey-Harris)
70,000 each
85,000 "
With cutting bar of 1.52
" " " 2.10
These prices valid to 15/7/46

3. Cotton Seed Cake
1,000
per quintal
FOB feed-mixing plants.

4. Mowers (Deering, Bamford, Cockshutt)

5. Ploughs (Massey-Harris, 2-bottomed model)

6. Three bottom Ploughs, Tractor drawn, 570 Kg. each

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COMMODITY	PRICES IN LINE	REMARKS
7. Reaper Attachments (Deering)	3,000 each	Sale limited to bona fide farmers who have more grain to harvest, after which it will be re-examined for the balance of goods in stock. Price valid to 15/7/46
8. Seed Potatoes	3,250 per quintal	This price includes all handling & distribution charges.
9. Flax Seed	5,500 per quintal	Price valid to 15/9/46
10. Forage Pea Seed	25,000 per MT	
11. Vetch Seed	45,000 per MT	
12. Forage Seed Corn	25,000 per MT	
13. Sudan Grass	4,000 per quintal	Original weight including loading
Clothing, Textiles & Footwear		
1. Cotton Goods Sheeting for sheets & pillow cases Towelling Material for diapers & napkins	To consumer	
	70 per sq. meter	Per imports against
	75 " " "	1945 program
	60 " " "	
Medical		
1. Insulin	12 per 100 unit vial 500.	To consumer
	18 " 100 " " 10 "	
	18 " 200 " " 5 "	
	23 " 200 " " 10 "	
	29 " 400 " " 5 "	
	35 " 400 " " 10 "	
	58 " 800 " " 12 "	
2. Penicillin	235 per 100,000 unit vial	
	450 " 200,000 " "	

8. Seed Potatoes	3,250 per quintal	This price includes all handling & distribution charges.
9. Flax Seed	5,500 per quintal	
10. Forage Pea Seed	25,000 per MT	Price valid to 15/9/46
11. Vetch Seed	45,000 per MT	
12. Forage Seed Corn	25,000 per MT	
13. Sudan Grass	4,000 per quintal	Original weight including loading

Clothing, Textiles & Footwear

1. Cotton Goods		To consumer
Sheeting for sheets & pillow cases	70 per sq. meter	Per imports against 1945 program
Towelling	75 " " "	
Material for diapers & napkins	60 " " "	

Medical

1. Insulin		To consumer
	12 per 100 unit vial 500.	
	18 " 100 " " 10 "	
	18 " 200 " " 5 "	
	23 " 200 " " 10 "	
	29 " 400 " " 5 "	
	35 " 400 " " 10 "	
	58 " 800 " " 12 "	
2. Penicillin	235 per 100,000 unit vial	
	450 " 200,000 " "	

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COMMODITY	PRICE IN LIRE	REMARKS
Industrial Rehabilitation		
1. Anthracite for Electrodes	5,250 per ton	At port
2. Benzol	55 per Kg.	Benzol Industrial FOB tanks
	60 per Kg.	Benzol Nitration Grade FOB tanks, in bulk
3. Coal	2,600 per ton	At port to public utilities & railroads (excluding handling costs)
	3,500 per ton	At port to manufacturers (excluding handling costs)
	2,450 per ton	At port. To manufacturers
4. Opencast Coal	100 per Kg.	Ex consignee's warehouse, net weight, including packing
5. Colophony	50 per Kg.	For industrial purposes. Ex consignee's warehouse. Price valid to 30/11/46 (see also Topd)
6. Gum Syrup		
7. Diesel Oil	24 per liter	Retail price
8. Fuel Oil	8 per Kg.	Retail price
9. Gasoline H.B.	27 per liter	Retail price
10. Kerosene	28.50 per Kg.	Retail price
11. Denatured Alcohol	200 per liter	Ex consignee's warehouse (drums free)
12. Petroleum Coke	4,375 per ton	At port
13. Rubber	200 per kg.	MS/I Standard quality (crude) ex consignee's warehouse.

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 for tanks in bulk

3. Coal	60 per Kg.	Benzol Nitration Grade FOB tanks, in bulk
	2,600 per ton	At port to public utilities & railroads (excluding handling costs)
	3,500 per ton	At port to manufacturers (excluding handling costs)
4. Opencast Coal	2,450 per ton	At port. To manufacturers
5. Colophony	100 per Kg.	Ex consignee's warehouse, net weight, including packing
6. Corn Syrup	50 per Kg.	For industrial purposes. Ex consignee's warehouse. Price valid to 30/11/46 (see also, Food)
7. Diesel Oil	24 per liter	Retail price
8. Fuel Oil	8 per Kg.	Retail price
9. Gasoline H.B.	27 per liter	Retail price
10. Kerosene	26.50 per Kg.	Retail price
11. Denatured Alcohol	200 per liter	Ex consignee's warehouse (drums free)
12. Petroleum Coke	4,375 per ton	At port
13. Rubber	200 per kg.	MS/T Standard quality (crude) ex consignee's warehouse.
14. Toluol	75 per Kg.	FOB tanks, in bulk

H-5. MONTHLY REPORT OF THE BUREAU OF FINANCE AND

ADMINISTRATION FOR AUGUST, 1946.

RELATIONSHIP WITH THE GOVERNMENT.

1. The following resolution on policy concerning the use of proceeds of the local sale of UNRRA supplies, and the question of transfer to the United Nations of UNRRA's interest in local currency Proceeds of Sale was passed at the Fifth Session of the Council at Geneva. The Council recommended that:

(a) The functions and responsibilities of the Administration in regard to the utilization of local proceeds or equivalent sums for such relief and rehabilitation work, as set out in the relevant agreements, be transferred at the appropriate time to the United Nations, or to such specialized body as may be designated by the United Nations, and that the United Nations, or such specialized body, undertake these functions; and

(b) The governments which have concluded agreements with the Administration be requested to agree to the assumption by the United Nations, or such specialized agencies, of the functions hitherto exercised by the Administration under these agreements.

The Director General will consult with the appropriate authorities of the United Nations with a view to arranging for implementation of the recommendation in (a) and (b) above.

2. The Chief of Mission presented a statement to the Personal Representative of the Director General which reflected the views of this Mission on the use of the Lire Fund (Attachment H-5-(a)).

3. The Financial Adviser (Lire Fund), in collaboration with the Government, prepared a memorandum concerning the relationship of the Lire Fund to the Italian State Budget. Unfortunately, it was not possible to prepare this memorandum in time for it to be submitted to the Chief of Mission at Geneva. (Attachment H-5-(b)).

4. A statement of the consolidated Lire Fund with Notes as at 28 August will be found in Attachment H-5-(d)).

5. A report was submitted by ICE (Istituto Commercio Estero - Institute of Foreign Trade) on UNRRA commodities sold during June 1946 as follows:

Credited to
Special A/C.

Sales

Grain	1,587,508,444
Flour (Wheat)	86,150,268
Flour (Rye)	55,664,951
Flour (Soya)	15,120,384
Codfish	81,877,675

- (b) The governments which have concluded agreements with the Administration be requested to agree to the assumption by the United Nations, or such specialized agencies, of the functions hitherto exercised by the Administration under these agreements.

The Director General will consult with the appropriate authorities of the United Nations with a view to arranging for implementation of the recommendation in (a) and (b) above.

2. The Chief of Mission presented a statement to the Personal Representative of the Director General which reflected the views of this Mission on the use of the Lire Fund (Attachment H-5-(a)).

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Flour (Rye)	35,664,951
Flour (Soye)	15,120,384
Codfish	81,877,675
Oats & Rolled Oats	67,739,551
Maize	3,775,661
Lard	16,182,868
Evaporated Milk	2,320,676
Canned Fish	4,006,555
Pasta	1,217,585
Sausages	1,020,162
Soap	37,506
Sugar	384,382,813
	<u>500,000,000</u>

Lit. 2,287,005,099

Lit. 500,000,000

-2-

The difference between Proceeds of Sale of foodstuffs and the amount credited to the Special Account has been retained by the Federazione Consorzi Agrari on account of distribution costs yet to be determined. The amount of Lit. 3,455,512,716 has been so retained to date for distribution costs of imports from sales of foodstuffs to 30 June 1946, amounting to Lit. 5,905,512,716.

6. In addition to sales of foodstuffs, the following amounts have been credited to the Special Account to date as advance payments on account of sales:-

Raw Rubber	36,279,095
Copra	55,158,750
Pig Iron	<u>16,500,000</u>
	Lit. 107,937,895

7. Further amounts were credited by CIP (Comitato Italiano Petroli:) as follows:-

- (i) Lit. 322,834,663 in respect of Sales during April 1946.
- (ii) Lit. 400,000,000 in respect of Sales during May and June 1946.
- (iii) Lit. 200,000,000 being part repayment of sums retained by CIP during February and March 1946 on account of distribution costs.
- (iv) Lit. 150,000,000 on account of sales during August 1946.

Items (i) and (ii) above were paid in, in addition to the sum of Lit. 450,000,000 already credited for the months of April - June 1946 inclusive.

8. Following upon the agreement reached between the Joint Presidents, the Lire Fund Control Committee at the seventh meeting held on 14 August 1946 recommended in principle that a loan be granted from the Lire Fund for financing the manufacture and distribution of finished textiles to be made from 31,000 tons of raw cotton which is being imported by UNRRA in the 1946 Supply Program. The first instalment of such loan is to be in the amount of Lit. 1,650,000,000 to finance the immediate manufacture of approximately 8,000 tons of cotton, and it is anticipated that the total loan required for this project will be about Lit. 3,000,000,000.

9. At the seventh meeting, the Lire Fund Control Committee also considered the administrative budget of the Italian Delegation which was in the sum of Lit. 1,345,450,000 for the six months period 1 April - 30 September, 1946. It was agreed to approve the budget in principle, and a Joint Sub-Committee was set up to examine the budget in detail.

10. At the eighth meeting of the Lire Fund Control Committee held on 28 August 1946, the question of payment of transit charges on UNRRA supplies passing through Italy was discussed. This incorporated transport of :-

supplies in Italy for other missions.

Copra55,158,750
Pig Iron16,500,000 Lit. 107,937,800

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10. At the eighth meeting of the Lire Fund Control Committee held on 28 August 1946, the question of payment of transit charges on UNRRA supplies passing through Italy was discussed. This incorporated transport of :-

- (a) Supplies purchased by UNRRA in Italy for other Missions;
- (b) Supplies in transit through Italy from foreign countries and reshipment to other Missions;
- (c) Supplies purchased in Insular Italy for other Missions and routed via the Italian mainland.

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It was proposed that the sum of Lit. 100,000,000 be appropriated to a contingency fund to provide for expenses enumerated above and the Italian Government expressed the desire to study this proposal, prior to the matter being brought up at the next meeting of the Lire Fund Control Committee.

11. Several meetings of the Joint Sub-Committee were held to consider the position as regards determination of distribution costs of foodstuffs imported by UNRRA under the 1946 Supply Program. As a result, an Inspection Committee has been set up by the Italian Government including representatives from the Ministry of the Treasury, the Food Commission and the Italian Delegation. This Committee will visit all the major ports to carry out their investigations and will report their findings to the Joint Sub-Committee.

12. A Joint Sub-Committee has held several meetings for the purpose of deciding a proper basis for deduction of distribution costs of POL imports from resulting sales, and for determination of the price of POL based on the dollar exchange rate of Lit. 225. The question of reimbursement to the Lire Fund of the sales tax levied by the Italian Government on transfer or sale of POL was discussed, and this is to be reviewed in the light of the agreement in force between Italian Government and UNRRA. A procedure is to be addressed to the Italian Government for approval, whereby the civilian population do not bear the distribution costs of POL supplied to the Allied Forces.

13. The sum of Lit. 25,000,000 has been advanced to ICE for the financing of their administrative and operating expenses in connection with UNRRA supplies, from the amount of Lit. 50,000,000 provisionally appropriated for this purpose by the Lire Fund Control Committee on 13 June 1946, pending submission by ICE of a detailed budget. This budget has not been submitted to date, and ICE have undertaken to prepare a detailed budget by 20 September 1946, based on their administrative and operating expenses during the period 1 February 1945 - 30 June 1946, relative to handling of UNRRA supplies.

RELATIONSHIP WITH THE MILITARY AUTHORITIES.

14. As a result of the derequisitioning of premises under military requisition mentioned in the July Report (H-5, Para. 7), the Italian Delegation is acquiring premises which the Administration still desires to occupy. Stipulation for contracts on all hotels in use by the Administration have been submitted to the Delegation, with the request to regularize UNRRA occupancy with the owners. The number of camp premises which are being derequisitioned by the military number over 550. Some 475 are in the Lecce Group, where whole villages are occupied almost entirely by displaced persons. Lists of these camp premises have been obtained from the various Town Majors in the HQ 3 District. These are being processed by Camps Operations for submission to the Italian Government Delegation, in order that derequisition by the Army and acquisition by the Delegation for UNRRA may proceed in accordance with the UNRRA/SACRED Agreement.

ORGANIZATIONAL CHANGES.

15. The main organizational changes during the month have taken place within the Bureau of Requirements and Distribution. The handling of

to the Joint Sub-Committee.

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ORGANIZATIONAL CHANGES.

15. The main organizational changes during the month have taken place within the Bureau of Requirements and Distribution. The handling of surplus property matters has been transferred from the Local Resources Division to the Division of Program Co-ordination and Statistics. This function will, in future include all responsibilities of the Bureau in connection with the disposal of UNRRA surplus. The Commodity Accounting Branch is no longer attached to the Program Co-ordination and Statistics Division, but as a Staff Branch to the Office of the Chief, Sub-Bureau of Supply Operations. In future it will be known as the Supply Records Branch.

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16. The functions of the Price Office of the Bureau have been transferred to the Program Co-ordination and Statistics Division. This function includes co-ordination of the price work of the Bureau, acting as the technical secretariat for the Joint Price Committee, and representation of the Bureau on the Lire Fund Control Committee. As noted in the July Report (H-5, Para. 8) the Program Co-ordination and Statistics Division has been transferred from the Sub-Bureau of Supply Operations to the Office of the Chief of Bureau.

PROBLEMS.

17. Many requests have been received by personnel travelling to England and the States, either on duty or for repatriation, for French and Swiss francs. Because of lack of currency it has not always been possible to assist travellers. As a result of representations to ERO it is hoped to acquire a small supply of these currencies in the near future.

18. As mentioned in the July Report (H-5, Para. 13) the decision not to supply cash to other Mission personnel on leave in Italy is causing considerable inconvenience due to the difficulties experienced by personnel in obtaining personal funds from the countries of their home stations.

19. The question of participation in the Provident Fund Scheme by personnel seconded from H.M. Forces is still under discussion as far as non-Regular officers are concerned.

20. The supply of Leave Travellers' Cheques for use in Switzerland, Belgium, Denmark, France, USA (in case of Dollar Cheques), and England and sterling area (in case of sterling cheques) is running low and ERO has been cabled for a further supply.

21. The Division of Vehicle Control and Maintenance has received schedules showing the spare parts available for British vehicles. Immediate contact was made with Ordnance, who suggested that the matter be held over until the Ministry of Supply assumed responsibility. This defeats the whole object of the scheme for acquiring these spare parts. The position of spare parts for American vehicles is likewise unsatisfactory. For some months it was understood that procurement was being made in the United States. Now, apparently, procurement has been stopped as difficulty has arisen over the confusion of R. & D. requirements and requirements for the Italian Mission administrative vehicles. Cables have been sent asking for clarification of the position.

MAJOR ACTIVITIES CURRENT AND PROPOSED.

22. During the month 44 traffic accidents were reported (16 major and 28 minor) giving rise to six claims against the Administration. The Claims Committee met twice during the month and reviewed a total of 38 cases, of which 34 concerned traffic accidents.

23. Physical inventories of all non-expendable administrative property as of 30 June have been prepared (with the exception of Lecce Camp Group), and turned over to the Division of Accounts for evaluation. The inventories will be submitted to ERO as soon as possible. A Pro-

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23. Physical inventories of all non-expendable administrative property as of 30 June have been prepared (with the exception of Lecce Camp Group), and turned over to the Division of Accounts for evaluation. The completed report will be submitted to ERO as soon as possible. A Property Survey Committee has been instituted and several meetings have taken place.

24. During August the total issue of rations throughout the Mission for mid-shift meals, snack bar, workshops, outside messes for Class II personnel, and for the hotels for Class I personnel, amounted to 164,118 rations. 389 persons were billeted in the Rome hotels from 1 to 27 August, and 275 transients passed through the Rome hotels.

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25. Every effort is being made to bring both Regions and Camps up to their vehicle establishment as authorized by ERO. Fifty Class C jeeps have been cannibalized, and this has enabled more jeeps to be put back on the road. The further 27 jeeps that were authorized have not yet been procured as UNRRA/AFHQ were not satisfied that the cable received was sufficient authority. With the exception of these there are no further personnel vehicles to be collected and no load-carriers.

26. The Mission Conference Secretariat has covered 19 conferences during the month, involving 46 hours of verbatim note-taking. In addition assistance was lent for the preparation of the Mission's revised Personnel Establishment, and for the answering of correspondence on behalf of the Director General. Secretarial assistance was also provided for the Office of the Chief of Mission and the Welfare Division, involving 206 secretary hours.

PERSONNEL STATISTICS.

27. As of 31 August 1946 the Mission staff consisted of 557 Class I (regular), 3,833 Class II (locally employed), and 111 Class III (Voluntary Agency) employees - a total of 4,501 persons. Of the Class I employees 278 are British, 200 from the United States, 27 South Africans, 13 Canadians, 8 Palestinians, 3 Australians, 3 New Zealanders, 3 Danes, 3 Indians, 3 Russians, 3 Stateless, 2 Frenchmen, 2 Poles, 2 Swiss, and one each from Egypt, Greece, Iceland, Haiti, Iran, El Salvador and Yugoslavia.

28. These statistics reflect the people in positions as at 30 August, but it should be noted that 10 Class I positions vacated during August might be filled in the succeeding month with Class I incumbents should ERO authorize this action.

C.E. HODGETTS,
Deputy Chief of Mission
Chief, Bureau of Finance
and Administration.

Attachments:

- H-5-(a). Statement on the Use of the Lire Fund, 15 August 1946.
- H-5-(b). Memorandum on the Relationship of the Lire Fund to the Italian State Budget, 13 August 1946.
- H-5-(c). Minutes of a Meeting Concerning Distribution Costs Incurred by the Federazione Consorzi Agrari, 21 August 1946.
- H-5-(d). Statement of the Consolidated Lire Fund as at 28 August 1946.

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UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

ITALIAN MISSION

15th August, 1946.

TO : P.R.D.G.

FROM : S.M. Keeny, Chief of Mission, Italy.

SUBJECT : Use of Lire Fund.

1. In his oral report to the Council, the Director General indicated that he would request certain actions affecting the disposition of local currencies. This matter had previously been discussed in Rome, and a memo given to me asking me to inform the Government that no part of the Lire Fund should be spent in subsidising the bread ration - a measure that the Government had previously pressed upon the Mission, and which I had agreed to "in principle" provided the Government took energetic action on the collection of grain; abolished the black market; and took all possible steps to increase indigenous grain production.

2. It will be recalled that under the present agreement with Italy the expenditure of these funds is determined by the Italian Government in agreement with UNRRA. I believe that in most other agreements, the Government only receives the views of UNRRA and is free to act as it wishes. Even under the Italian Agreement, however, the money cannot be assigned without the agreement of the Government. I assume that no directive on the use of local currencies is contemplated which will not fall within the present agreement. If this assumption is correct, I take it that any directive would be advisory rather than mandatory.

3. The Director General's suggestions for use of the Lire Fund have included (a) the idea of a revolving fund and (b) the suggestion that the money be used at least in part for industrial loans at low rates of interest.

a. On the first point it is suggested that the Italian currency is not yet stable enough to provide any assurance for the establishment of a permanent Capital Fund. It is suggested, therefore, that any fund so set up should be planned for expenditure for a limited number of years - say 10. It would not seem desirable to tie up a high percentage of the money for such purposes. Five or ten percent as a maximum should cover any reasonable plan for training schools, scholarships and so on.

b. The use of this money for industrial loans seems open to considerable question. The money would be eagerly sought after especially by persons who expect inflation and who would like to incur debts which they can later pay off easily in inflated currency. Without an extremely carefully planned policy and a rigid method of selection, such a system of loans would be open to serious abuse.

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4. It is the view of the Italy Mission and of the Italian Delegation that the Funds should be used to complete the projects of the type that have already been begun, with a special emphasis on health services, child

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welfare and re-housing the homeless. A fuller statement of our view on the purposes to which the Fund should be devoted is attached.

5. On the assumption that there will be 60,000 million lire available to spend, my own suggestion for the use of it would be approximately as follows, (please note that these are only rough personal estimates, and have no standing in any agreements between the Italian Government and UNRRA):

- a. For commitments on processing textiles and other commitments already made (including administration)..... 15,000 million (some of this to be reimbursed when proceeds of final textile sales come in).
- b. For health services including campaign against tuberculosis and malaria, and the repair and re-equipment of hospitals 10,000 million
- c. For continuance of child feeding and rehabilitation of children's institutions 20,000 million
- d. For re-housing the homeless 5,000 million
- e. Other uses

6. While the Italian Government has not yet made any official recommendation as to how the Lire Fund as a whole should be used, the President of the Italian Government Delegation for Relations with UNRRA (who is the Italian Observer at the Geneva Conference) has indicated informally his general agreement to approach outlined in the preceding paragraphs.

7. I think that a case can be made for a bread subsidy in that it is a direct contribution to reduce the cost of living for the population and is directly in line with the Government's main drive to reduce the cost of living rather than to raise wages. One grant, however, would tend to lead to another and a large part of the Fund might be used for such subsidies, which would be a mistake. It would seem preferable not to use the Fund for subsidizing the price of bread, and to use the money instead for such purposes as the building and repair of houses.

8. The Italian Mission needs to know whether the use of lire for this particular subsidy is recommended by UNRRA H.Q. or not. The present situation is that the Prime Minister has been told that the Director General disapproves of the use of lire for this purpose. Should we assume that this is a definitive ruling?

9. The two draft Resolutions now before the Committee on Policy appear to be steps in the direction of making firm plans for the use of the various "proceeds of sale" funds. When the Director General begins discussions on the actual criteria to be adopted for local currency projects, I strongly recommend that our Mission participate in the discussions preceding any decision - both because our relationship with the Government in Italy on this question is unique, and because we have given the matter our

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10. The Mission also needs guidance as to how the Fund is to be supervised after the Mission is closed. The simplest solution would be to have the Mission and the Government make sure that the total amount of money is flowing into the proper account, and draw up a budget for its use; thereafter changes in the budget and supervision of the United Nation's interest in it might most appropriately be under taken by a Committee of members of the various Rome Embassies interested, presumably under the general aegis of the United Nations.

/s/ S.M. Keeny
Chief of Mission

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/s/ S.J. Keeny
Chief of Mission

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under the general aegis of the United Nations.

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Declassified E.O. 12356 Section 3.3/NND No. 785021

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NOTES ON THE USE OF THE LIRE FUND IN ITALY

1. General

The purposes for which the Lire Fund are to be used are set forth in the Supplementary Agreement of 19th January, 1946, between UNRRA and the Italian Government. Briefly the Lire Fund (made up of the proceeds of sale of UNRRA-imported Supplies) is to be used for relief and rehabilitation projects within a period of three years; these projects can only be undertaken by the Italian Government with the concurrence of UNRRA or whatever successor agency is designated by UNRRA to continue consultations with the Italian Government on this point. It is noteworthy that the Italian Agreement is the only UNRRA agreement, with any receiving country, which provides that the Government will not only consult UNRRA on the use of the proceeds of sale, but must also agree that use with UNRRA.

The basic thinking, of both the Italian Government and the UNRRA Mission in Rome, is that the Lire Fund should not be used as a substitute for normal budget expenditures of the Government (a prohibition to this effect even appears in the January Agreement) but rather to subsidise and build up those activities which would not in the normal course of events be able to command substantial financial support from either private or public sources. In any country the organisations responsible for meeting basic needs of the "low third" of the population (including health and welfare services) have difficulty getting adequate appropriations. Therefore the purposes of the Lire Fund might be defined as follows:-

To supplement the UNRRA Import Programme in enabling the Italian Government to meet the basic needs of the Italian population for food, clothing and shelter - with particular emphasis on the low-income sectors of the population.

2. Food

With the UNRRA Import-Programme, we are trying to close the gap between Italian production of essential foods and the minimum requirements of the people for those foods. With some exceptions and limitations due to the food crisis, this objective is being reached. However, the problem of getting food to the people who need it is not wholly a supply problem; it is also a financial problem - for the individual and for his Government. The average wage-earner in Italy spends 80% or more of his current income for food alone; the person with a low fixed income (including people on relief, pensioners, etc.) is in an even worse condition, since the income does not rise proportionately to the progressive rise in the cost of living.

UNRRA's original programme, in 1945, comprised as a basic element the welfare distribution of food - especially for children and for pregnant and nursing mothers. One central purpose of the use of the Lire Fund should be to make sure that no financial limitation, either in the income of the individual or the Budget appropriations of the Government, interferes with the continuing availability of essential foods to the people who can pay very little or nothing at all for them. This would include developing and expanding the school lunch programme, a programme for various types of institutional feeding, the meeting of the special needs of young children,

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The basic thinking, of both the Italian Government and the UNRRA Mission in Rome, is that the Liro Fund should not be used as a substitute for normal budget expenditures of the Government (a prohibition to this effect even appears in the January Agreement) but rather to subsidize and build up those activities which would not in the normal course of events be able to command substantial financial support from either private or public sources. In any country the organizations responsible for meeting basic needs of the "low third" of the population (including health and welfare services) have difficulty getting adequate appropriations. Therefore the purposes of the Liro Fund might be defined as follows:-

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In addition to aiding the distribution of food, there have also been some preliminary discussions on the possibility of using the Liro Fund to help re-establish agricultural services and thereby aid also in food production. These conversations have not yet produced any specific proposals for policy consideration.

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Clothing

UNRA does not import clothing into Italy (except for some old clothes and special diversions at the request of Headquarters.) The Italian textile industry can itself make all the clothing required by the Italian people, and still have sufficient capacity to export twice as much textiles again. The raw materials, however, must be largely imported. The same thing is true, with a more limited export possibility, of the leather and shoe manufacturing industry. UNRA is therefore importing into Italy some 35,000 tons of cotton, 18,000 tons of wool, and 2,000 tons of hides (out of 11,000 tons of hides requested). The economics of the textile and leather industries, however, are such that it is impossible to sell the raw materials to the manufacturers and expect low cost, high quality goods to become available quickly for popular distribution and sale. On the contrary, if the material were sold to manufacturers it would be (a) exported as luxury goods (b) manufactured into goods for high price sale on the Italian market or (c) held in warehouses in order not to break the artificially high textile and leather price structure.

A plan has therefore been developed by the Government in co-operation with UNRA which involves processing these materials "on account", retaining Government title to these materials during the entire period of their manufacture. The resulting fabrics and shoes will then be put into controlled distribution channels. Perhaps one third of the goods will be given away to needy people; the remainder will be sold at prices which will cover the cost of processing the entire quantity, but which will recover nothing on the original cost of the materials themselves. The operation is therefore being subsidised by the fact of not recovering in the Lire Fund any of the cost of raw materials. In addition, a Lire Fund appropriation is required on a loan basis to defray the costs of processing - this loan to be reimbursed out of the proceeds of sale of the finished products. In this way the Lire Fund is used to complement the import programme to make sure that distribution is according to Resolution 7 of the UNRA Council.

4. Shelter

Although the lack of adequate or in some cases any housing, is one of the most acute shortages in the Italian economy, there is relatively little that UNRA can do about it through an import programme. UNRA's chief imported contribution to meeting the housing problem is in providing coal that is required for the manufacture of cement, bricks, and tile, and in helping the transport system to get back on its feet (through the production of additional railway rolling stock and motor vehicles, and the provision of fuel to run both railroad and motor transport), so that it can move the building materials to where they are needed.

Once the basic problems of making the building materials and transporting them from place to place are well on their way to solution, the limiting factor in getting houses built is the fact that house-building is not profitable - and very few people have the money to build a new house, or even to repair a war-damaged structure. This is a typical problem for the use of the Lire Fund. The Government, with UNRA's concurrence, has already set up a housing organisation, known as CASAS, which operates with transport and certain other types of support provided by UNRA, and is engaged in building or repairing houses in the devastated areas of Italy, using to the full the Italian

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5. Health.

UNRRA has already imported considerable quantities of finished medical supplies, mostly for free distribution to hospitals. The 1946 programme calls largely for pharmaceutical raw materials, plus a few special finished products such as penicillin and insulin. The distribution of these supplies is a great help to the hospital and other medical services in getting back on their feet; but they are greatly handicapped by lack of adequate funds to purchase such fundamental equipment as beds, to rebuild buildings, and to acquire the medical supplies themselves.

Here again lire can be used to complement the relief and rehabilitation effort started by the importation of essential supplies. Appropriations have already been made from the Lire Fund, by agreement between the Italian Government and UNRRA, for malaria control and eradication, for tuberculosis control, and for transport for the Government's provincial medical officials. Similar and larger appropriations are now under consideration.

UNRRA Italian Mission - H.C.
Geneva, 15 August 1946

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UNRRA Italian Mission - H.C.
Geneva, 15 August 1946

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MINUTES OF A MEETING CONCERNING DISTRIBUTION
COSTS INCURRED BY THE FEDERAZIONE CONSORZI
AGRARI, HELD ON 21 AUGUST 1946, at 10.30 a.m.

Those present: -

G. Hopkins
L. Travers
H. Landsberg
C. Lester
Mr. Della Megra
Mr. Ermini
Mr. Bottei
Mr. Calcani
Mr. Degli Alberti
Mr. Bianchini
Mr. Bolluco
Mr. Poffano

Financial Adviser (Lire Fund)
Office of Financial Adviser.
Programme Co-ordinating & Statistician Di
Division of Ports & Shipping
Italian Government Delegation
Italian Government Delegation
Federazione Consorzi Agrari
Federazione Consorzi Agrari
I.C.E.
I.C.E.
I.C.E.
Ministry of the Treasury.

DISTRIBUTION: -

All those present,
Chief, Bureau of Finance & Administration,
Office of Chief of Mission,
Special Assistant to Chief of Mission.

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1. At the opening of the meeting a representative of the Treasury was not present; it was decided, however, to start in his absence.
2. MR. HOPKINS reminded the Committee that some time ago Federazione Consorzi Agrari prepared a report on the distribution costs, which they submitted to the Lire Fund Control Committee. The Committee, however, decided that independent checks would be made on the Federazione's report by the Delegation on the one hand and the Mission on the other. The matter, continued MR. HOPKINS, had been continually before the Lire Fund Control Committee, and had been adjourned from meeting to meeting, as the Mission had not completed investigation. The present meeting of this Sub-Committee had been called, as the Mission was now in a position to discuss the matter.
3. MR. HOPKINS suggested that it might be a simpler procedure to go through the report submitted by the Mission, and compare the two particularly as the Delegation's report was not at all clear on certain specific points. He explained that the Mission had tackled the problem by instituting a "spot check" at Leghorn. He asked MR. LESTER, who had conducted this check, to report on the findings.
4. MR. LESTER reported that he had taken three grain ships at random, and checked the actual bills, which were available in the Federazione Consorzi Agrari's offices. On the basis of the three ships, continued MR. LESTER, the average discharge cost per quintal was arrived at. Specific items of difference between the two reports were Offloading charges, which are now in all cases paid by the UNRRA Italian Mission - he added that there had been instances in the past where these charges had been paid by the Federazione, but these will have to be accounted for one by one, and cannot appear in future estimates for discharge.
- Bagging. The charge for bagging, stated MR. LESTER, was estimated at Lit. 19.45 per quintal, whereas the tariff for bagging at Leghorn and in most other ports is Lit. 9.40 per quintal.
- Transport. Charges had been included for transport to the warehouses and the loading of grain from warehouses. MR. LESTER stated that in Leghorn the grain did not go through the Federazione warehouses, and therefore there was absolutely no basis for these particular charges. MR. LESTER continued, saying that in addition to the charges for cloth usage being excessive, there was duplication in the figures.
- String. This item, for bagging, is charged on the estimate of $1\frac{1}{2}$ Lit. per quintal, whereas the actual amount in Leghorn shown on the bills is .23 Lit. per quintal.
- Guards. The guards in the hold and on the wharf were charged at 3 Lit. per quintal. MR. LESTER stated that neither the Federazione Consorzi Agrari nor any Italian Government Agency had the right to put guards into the holds, therefore there was no basis for these charges.
- Opening and closing hatches. This item was stated to be part of the off-loading, and therefore could not be charged by the Federazione.
5. MR. LESTER stated that the figure arrived at by the Mission

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5. MR. LESTER stated that the figure arrived at by the Mission investigators was an average of Lit. 53.26 per quintal against a figure of Lit. 129.35 per quintal as charged by the Federazione. Taking these figures in terms of a full ship of 8,000 tons of grain, the Federazione charge would be 10.4 million Lire against 4.3 million Lire, the actual amount of their expenditure. The general expenses, i.e. telephone, continued MR. LESTER, had been taken at the figure supplied by the Federazione, as there was no way of checking these. From the above remarks it will be seen that the charges are more than 100% too high.

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6. MR. LANDSBERG stated that the figures quoted by MR. L. applied to Leghorn only, and there appeared to be some discrepancy in figures for the other ports, in as much as overtime amounted to 75% of the offloading charges. This, he added, could not be accepted without further justification. He asked that in future reports the separate amounts for mechanical and manual work in offloading should be itemized.
7. Regarding railway and trucking expenses, continued MR. LANDSBERG, these had been checked with the official Italian State Railway charges. He stated that the Federazione charge of 116 Lit. per quintal corresponded to an average railway haul of 116 Lit. metres, plus a truck haulage at each end of 10 km. MR. LANDSBERG pointed out that the average distance travelled by the grain was not 1,000 km., in addition to which trucking was not necessary at each end in all cases. He then referred to the charge for portage, 39 Lit. per quintal. The correct figure for this was 15 Lit., he stated, and if a higher figure was going to be charged, justification would have to be given.
8. MR. LANDSBERG further stated that the charges submitted were based on periods prior to UNRRA's main operations, the port expenses referring to ships arriving between September 1944 and the end of February 1946, and the other items being based from 1st March 1945 to 31st July 1945. During these periods, continued MR. LANDSBERG, in that part of the country, therefore too much stress on the figures for the south automatically brought the figures higher. MR. LANDSBERG concluded, saying that an overcharge of 1 Lit. per quintal in accounting amounted to 10,000,000 Lit. on the grain which had been brought into Italy to date, and therefore no case of overcharging should escape notice.
9. MR. HOPKINS suggested that the Federazione should defer their discussion of this report, as this might possibly become rather lengthy, adding that he intended to pass the report to the Treasurer and the Delegation at an early date. He stated that the discrepancies in the findings of the two reports were most disturbing, adding that another point which needed clarification was that the Federazione Consorzi Agrari were withholding a sum of approximately 3½ billion Lire on sales of approximately 6 billion Lit. He asked the Delegation to give some information on this position.
10. MR. DELLA NEGRA said that in his opinion the report of the investigation carried out by MR. LESTER should be sent to the Federazione Consorzi Agrari, with a request for details of actual expenses. From this, added MR. DELLA NEGRA, it would be possible to know the exact amount which should be paid into the Lire Fund.
11. MR. HOPKINS agreed with this suggestion, but stated that this would not cover the whole problem. He stated that spot checks should be taken at all the ports; UNRRA had not the staff to undertake this work, and he asked what body within the Government would be the competent authority to do this - the Treasury, Court of Accounts, etc.
12. MR. DELLA NEGRA said that the costs of distribution should be determined as soon as possible, and in the meantime he had

not 1,000 km., in addition to which trucking was not necessary at each end in all cases. He then referred to the charge for portage, 39 Lit. per quintal. The correct figure for this was 15 Lit., he stated, and if a higher figure was going to be charged, justification would have to be given.

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10. MR. DELLA NEGRA said that in his opinion the report of the investigation carried out by MR. LESTER should be sent to the Federazione Consorzi Agrari, with a request for details of actual expenses. From this, added MR. DELLA NEGRA, it would be possible to know the exact amount which should be paid into the Lire Fund.

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12. MR. DELLA NEGRA said that the costs of distribution should be determined as soon as possible, and in the meantime he had suggested to the Lire Fund Control Committee that ICE should hand over more money pending the distribution costs investigation.

13. MR. HOPKINS asked for a specific suggestion to his request that some body within the Government should undertake investigation of distribution costs.

14. MR. DELLA NEGRA stated that as the accounts dealt with matters concerning UNRRA, the investigation should be carried out by an expert from the Mission, the Delegation, the Federazione Consorzi Agrari and ICE. MR. HOPKINS agreed that it would be advisable to have a standing Committee to consider the reports submitted as a result of investigation at the Ports, but the actual investigation must be carried out by the Government. He stated that five people appointed to do this work would be useless, and suggested that at least 25/30 persons should be employed. The investigation, he added, should be undertaken by the Treasury, the Committee would merely oversee this work.

15. MR. FORTANO stated that the Treasury audited accounts when statements were submitted, but in the case of UNRRA imported goods there were no statements. He referred to the decree No. 586 issued by the Government, which dealt with this matter. MR. HOPKINS asked that this be produced, and MR. FORTANO said he would bring it to the next meeting.

16. MR. FORTANO stated that the Government had authorized the Federazione to retain 25% of the proceeds of sale against the distribution costs, and when the Federazione submitted statements an investigation would be held and the actual amount due to them determined.

17. MR. HOPKINS summarized the decision of the meeting by saying that it had been proposed that a Committee be immediately set up with a representative from each of the following: - The Delegation, Federazione, Consorzi Agrari, Alimentazione, the Italian Mission and ICE, with a representative from the Treasury. He asked whether the suggestion was that these representatives should move around from port to port in order to conduct their investigations.

18. MR. FORTANO stated that there were only five ports in use. MR. DELLA NEGRA stated that each of the bodies represented on the Committee already had representatives at the ports, and the work of the sub-committee would consist in checking their reports. MR. LANDSBERG expressed doubt that this system would work, asking how it could be explained that the reports from Leghorn submitted by the Government and the Mission were at such variance.

19. MR. DELLA NEGRA suggested that a questionnaire be sent out to the port representatives. MR. LESTER stated that so far as the UNRRA port representatives were concerned, they would not have time available to be concerned in this work. MR. HOPKINS stated that Committees should be set up in each port, and his main concern was to arrive at the actual distribution costs. He further stated that as grain, flour and cod fish up to the 30th April were the first proceeds into the Lire Fund, it should not be too difficult a matter to ascertain the actual distribution costs now. He asked whether the Federazione's remuneration had been agreed upon, and MR. DELLA NEGRA stated that this had not yet been agreed.

20. MR. HOPKINS asked that the Sub-committee which it had been decided to form, should meet at the earliest possible moment. He suggested that MR. TRAVERS should sit in at the first meeting as his representative. He asked MR. DELLA NEGRA, on behalf of the Delegation, to consider the matter of the Federazione's remuneration at an early date. MR. DELLA NEGRA agreed to do this.

21. MR. LANDSBERG suggested that the Sub-committee should set out a

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21. MR. LANDSBERG suggested that the Sub-committee should set out a provisional figure, and each month carry the actual accounting forward. He said they should determine what the actual costs were through 30 April and put out a figure to be current for the next period. There was general agreement on this point.
22. The first meeting of the Sub-Committee was arranged for 10 am on Friday, 23rd instant.
23. The meeting rose at 12.35 pm.

REPORT OF MEETING OF SUB-COMMITTEE ON DISTRIBUTION COSTS
August 23, 1946 10:00 A.M.

Present:

Mr. Travers	UNRRA
Mr. Landsberg	UNRRA
Mr. Lester	UNRRA
Mr. Bianchini	I.C.E.
Mr. Belluco	I.C.E.
Mr. Paladino	Ministry of Treasury
Mr. Bettei	Federazione Consorzi Agrari
Mr. Calvani	Federazione Consorzi Agrari
Mr. Ermini	Italian Government Delegation
Mr. Della Negra	Italian Government Delegation

1. MR. TRAVERS presided at the first meeting of the sub-committee. He informed the members that it was the purpose of the sub-committee to consider ways and means of obtaining accurate distribution costs of UNRRA commodities. It was UNRRA's desire, continued MR. TRAVERS, that the Italian Government or the Italian Government's agency assume the responsibility of obtaining the actual figures of such distribution costs. As stated in the previous meeting, UNRRA would not be in a position to do more than assist in this work. MR. TRAVERS asked MR. PALADINO, who had been deputized by the Ministry of Treasury to attend the meeting, if the Treasury or appropriate Government Department had considered this matter and were prepared to set up the necessary staff for the purpose.
2. MR. PALADINO stated he was unable to answer for the Treasury and that MR. SARACINO, for whom he was substituting, would be the Treasury's representative at future meetings. He stated also that MR. SARACINO represents the Treasury on the Federazione Consorzi Agrari.
3. MR. DELLA NEGRA said the High Commissariat for Food would be glad to cooperate in providing staff for such investigations when the methods or plans for obtaining the information were set up. He added that it was a question of establishing the rules for the work, the information desired, etc.
4. MR. LESTER recalled the decision at the previous meeting that figures should first be obtained of actual costs of distribution up to April 30th as a starting point.
5. MR. TRAVERS asked the F.C.A. representative if they could now prepare a report of actual costs with respect to sales and imports up to April 30th, as all data for such a report must certainly be available by this time.
6. MR. LESTER felt it would be best to have the F.C.A. prepare the report, then have a Commission go from port to port to check on the figures submitted by the Federazioni.
7. MR. BETTEI said the F.C.A. is presently doing the accounting for the welfare program of UNRRA covering the period up to June 30, and they are trying to divide the various costs by type of program, i.e., welfare program, 1946 program, Allied Commission, etc. This would be completed sometime in September. However, if it were necessary to obtain figures by type of com-

Mr. Della Negra Italian Government Delegation

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8. MR. LESTER added that accounts should be rendered by all ports individually, consolidated and submitted directly to the agency or body investigating the costs, and should not be consolidated at the main office of the F.C.A. Also, that such accountings should be concerned only with UNRRA commodities, bearing in mind that F.C.A. has many other activities.

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9. MR. BETTEI said that the work on the port expenses through June 30th was nine-tenths complete. In addition, they have figures for the Provincial Consorzi, but only on the assistance program. He hoped it would not be necessary to request the same work for the second program.
10. MR. TRAVERS reiterated that it was UNRRA's desire to have an official Government agency, preferably the Treasury, undertake this investigation. However, as pointed out by MR. DELLA NEGRA, only the Federazione Consorzi Agrari has all the necessary documents on which to base calculations and it would mean duplication of their work if the Government were to set up a separate staff for this purpose. MR. DELLA NEGRA added that the Treasury is currently controlling and auditing the Federazione's accounts.
11. MR. TRAVERS said that if the Government did not nominate their own agency for the investigation but wished to delegate the Federazione port representatives to prepare the figures, so well and good, but he wanted to stress the fact that the responsibility lay with the Government, not with A.C.A.
12. MR. DELLA NEGRA said he was not prepared to state which agency in Government would be responsible for the work. However, he would personally discuss with the Treasury and would inform MR. TRAVERS on Monday, August 26, of the decision reached and submit a plan for obtaining the information required.
13. It was MR. BETTEI's view that since the Provincial Consorzi had been requested to submit figures covering internal costs up to June 30, it would be best to use those figures, rather than make a separate report up to April 30, especially since the added coverage would permit more accurate estimates. MR. TRAVERS agreed that this would be satisfactory.
14. MR. LESTER suggested that figures should be shown of stocks on hand at the first of the year, as well as stocks on hand as of June 30, in order to arrive at an accurate figure for distribution costs.
15. MR. TRAVERS stressed the fact that it was very necessary to have reliable figures on distribution costs as quickly as possible in view of UNRRA's limited remaining time in Italy. He asked that MR. DELLA NEGRA, on behalf of the Delegation, make representation to the Italian Government that sufficient staff be set up for this purpose; then when some concrete body was delegated to do the work, the necessary plans for implementation be made.
16. MR. DELLA NEGRA agreed to study the matter with the Treasury and submit a definite plan of operation by Monday.
17. The meeting adjourned at 11:50 A.M.

DISTRIBUTION: All those present
Chief, Bureau of Finance & Administration
Office of Chief of Mission
Special Assistant to Chief of Mission

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CONSOLIDATED LIRE FUND AS AT 28th AUGUST 1946

Contribution by Italian Government matching £ 50,000,0005,000,000,000

Proceeds of Sale to 30 June, 1946.

(a) Grain	4,825,968,318
Flour (Wheat)	175,907,703
Flour (Rye)	74,542,242
Flour (Soya)	15,120,304
Codfish	248,050,250
Corn	5,208,202
Oats and Rolled Oats	126,455,942
Sugar	408,143,100
Lard	17,426,091
Evaporated Milk	2,320,676
Canned Fish	4,006,555
Soap	37,508
Sausages	1,020,162
Pasta	1,217,585
	<u>5,905,512,716</u>

Less Retained by Federazione

Consorti to Date3,455,512,716

2,450,000,000

(b) Seed Potatoes321,182,876

Less Distribution costs and subsidy230,263,415

Less Deducted - Y.T. Programme90,919,460

76,476,113

(c) Coal14,443,347

5,000,000,000

(d) P.O.L. to 31 July5,020,633,650

Less Customs Duties February to

April Inc1,102,806,236

Less Retained by C.I.P. on account of

Distribution Costs Feb - April incl.2,021,669,539

1,826,157,175

(e) Raw Rubber36,279,095

36,279,095

(f) Copra (on account)55,158,750

55,158,750

(g) Iron16,500,000

16,500,000

14,460,571,133Less Appropriations:

(1) CASAS	1,000,000,000
(2) Sardinian Malarial Project	300,000,000
(3) Cotton Manufacture	457,667,508
(4) Naples Cave Dwellers	5,500,000
(5) Clothing Processing	112,500,000
(6) Public Health Vehicles	18,850,000
(7) CASAS Transport	167,066,000
(8) I.C.E. Advance for Financing	
Operations	50,000,000
(9) Sardinian Locust Campaign	500,000,000
(10) Federazione Consorti : 1945	

Canned Fish	4,006,555	
Scap	37,508	
Sausages	1,020,162	
Pasta	1,217,585	
	<u>5,905,512,716</u>	
Less Retained by Federazione		2,450,000,000
Consorzi to Date	<u>3,455,512,716</u>	
(g) Seed Potatoes	321,182,876	
Less Distribution costs and subsidy	<u>230,263,415</u>	
	90,919,460	
Less Deducted - Y.T. Programme	<u>14,443,347</u>	76,476,113
(e) Coal		5,000,000,000
(d) P.O.L. to 31 July	5,020,633,650	
Less Customs Duties February to		
April Inc	<u>1,102,806,936</u>	
	3,917,826,714	
Less Retained by C.I.P. on account of		1,826,157,175
Distribution Costs Feb - April incl	<u>2,091,669,539</u>	
(e) Raw Rubber		36,279,095
(f) Copra (on account)		55,158,750
(g) Iron		<u>16,500,000</u>
		<u>14,460,571,153</u>

Less Appropriations:

(1) CASAS	1,000,000,000	
(2) Sardinian Malarial Project	300,000,000	
(3) Cotton Manufacture	457,667,508	
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(7) CASAS Transport	167,066,000	
(8) I.C.E. Advance for Financing		
Operations	50,000,000	
(9) Sardinian Locust Campaign	500,000,000	
(10) Federazione Consorzi : 1945		
Programme	245,000,000	
(11) Sardinian & Brown Coal Subsidy	500,000,000	
(12) Federazione Consorzi : Plan "P"		
Welfare Programme	155,000,000	
(13) Mission Administrative Expenses	<u>3,000,000,000</u>	
Balance to be Appropriated		<u>6,511,583,508</u>
		<u>7,248,287,535</u>
Loan for Cotton Manufacture 1946 Programme		1,650,000,000

28th August, 1946.

NOTES ON CONSOLIDATED LIRE FUND
STATEMENT.

- (1) The amount of Lire 1,102,006,936 paid in respect of Customs duties on P.O.L. imports during February - April 1946 is reimbursable by the Ministry of the Treasury to the Lire Special Proceeds of Sale account.
- (2) The sum of Lire 3,455,512,716 withheld by the Federazione Consorzi Agrari in respect of distributions costs yet to be determined is based on foodstuffs imported and bears little relationship to the sum of Lire 5,905,512,716 shown as sales to 30 June, 1946.
- (3) The sum of Lire 3,000,000,000 appropriated for the Mission includes expenses in respect of the Non Italian Program. The position in regard to this appropriation as at 28 August, 1946 is as follows:-

Cash in Hand	800,000,000
Advances to Trieste and reimbursable	464,000,000
Non Italian Program	500,000,000
Loan to Central Industrial Commission	45,000,000
Mission Expenses	1,191,000,000
	3,800,000,000

(2) The sum of Lire 3,455,512,716 withheld by the Federazione Consorzi Agrari in respect of distributions costs yet to be determined is based on foodstuffs imported and bears little relationship to the sum of Lire 5,905,512,716 shown as sales to 30 June, 1946.

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H-6. MONTHLY REPORT OF THE BUREAU OF RELIEF

SERVICES FOR AUGUST, 1946.

FORMATION OF MINISTRY OF WELFARE.

1. Since the inception of the Mission, it has been obvious that there has been a great need of co-ordination of welfare activities in the Italian Government, and we have carried on many discussions with Government authorities, including the Delegation, on this subject. Unfortunately, since a more-or-less permanent Government was not established until after the June elections this year, no action was possible, although there was general agreement with us regarding the need of such a development.
2. During the past few weeks, some encouraging action has been started. We have held several discussions with the new Minister of Post-War Assistance, Mr. Sereni, who apparently has had some suggestions from the Government for the plan of developing a coordinated Ministry of Social Welfare. He is appointing a Committee from within his Ministry to study the subject and to prepare a general proposal for the consideration of the Presidency of the Council of Ministers. He has asked the Deputy Chief of Mission for Relief Services to act as consultant and observer to this Committee, and, at my suggestion, he is also including a representative of the Italian Delegation.
3. It is hoped that, within a few weeks, the Minister will present the proposals of the Committee to the Presidency for their action. At this point, the Government will have to determine whether it will take a firm stand against the objections which will undoubtedly be raised by the various parastatal and ministerial welfare agencies among which the welfare work of the Government is at present unequally divided. If such a stand is taken by the Government, a definite working-party can be established to study the question in detail and to prepare the necessary legislation. It is impossible at this moment to predict the success of the enterprise, but this is the first concrete result of many months of discussion.

DISPLACED PERSONS.

4. There has been considerable comment in the Press lately concerning the proposal made by the American Embassy in Rome to the Italian Government to permit 25,000 Jewish displaced persons to be brought into Italy from Austria. We first learned of the proposal from the newspapers, and we have at no time been officially consulted, either by the American Embassy or the Italian Government. The former has not been able to consult us, since all cables and documents they received on this subject were of a "Secret" nature. We have, however, been kept informed unofficially by the Embassy, but have refrained from taking any policy stands with them, since we have not had instructions from ERO. We have learned that the Italian Government presented a carefully-reasoned reply to the Embassy, in which they indicated the impossibility of agreeing to this request in view of the large number of displaced persons now in Italy, the difficult economic situation, and other factors.

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3. It is hoped that, within a few weeks, the Minister will present the proposals of the Committee to the Presidency for their action. At this point, the Government will have to determine whether it will take a firm stand against the objections which will undoubtedly be raised by the various parastatal and ministerial welfare agencies among which the welfare work of the Government is at present unequally divided. If such a stand is taken by the Government, a definite working-party can be established to study the question in detail and to prepare the necessary legislation. It is impossible at this moment to predict the success of the enterprise, but this is the first concrete result of many months of discussion.

DISPLACED PERSONS.

4. There has been considerable comment in the Press lately concerning the proposal made by the American Embassy in Rome to the Italian Government to permit 25,000 Jewish displaced persons to be brought into Italy from Austria. We first learned of the proposal from the newspapers, and we have at no time been officially consulted, either by the American Embassy or the Italian Government. The former has not been able to consult us, since all cables and documents they received on this subject were of a "Secret" nature. We have, however, been kept informed unofficially by the Embassy, but have refrained from taking any policy stands with them, since we have not had instructions from ERO. We have learned that the Italian Government presented a carefully-reasoned reply to the Embassy, in which they indicated the impossibility of agreeing to this request in view of the large number of displaced persons now in Italy, the difficult economic situation, and other factors.

5. Our own position has been stated to ERO in a cable sent at the end of August, indicating that we could undertake the care of some 5,000 displaced persons with our present camps, or we could take about 9,000 with the additional camps we are planning to acquire. In the latter case, however, unless the additional camps would serve as substitutes for some existing camps, we would not have sufficient staff. The question has also been raised by the Bureau of Requirements and Distribution about necessary food supplies, and their comments have been indicated in the same cable.

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6. It should be noted that, as the Italian Government becomes increasingly responsible for its problems, it is taking a firmer stand on them. It is only recently that the Government has been given the responsibility of decision with regard to admission into Italy of foreigners, and, except in a few instances, it is taking a negative position. It is impossible to tell how many aliens are in Italy who are not under the care and jurisdiction of either military agencies or UNRRA, but the number is large and disturbing to the Italian Government. This is particularly true since normal control of individuals through registration with the police, etc., is still not properly in effect.

UNRRA COUNCIL RESOLUTIONS (GENEVA).

7. We have reviewed the Resolutions passed at the Geneva Meeting of the UNRRA Council.

8. The Resolution on displaced persons will, of course, have the greatest immediate effect. We have compared the provisions of the Draft Constitution of the International Refugee Organization (IRO) with the eligibility rules of UNRRA, and while it appears generally that the former are more extensive than the latter, it is difficult to make any judgments because of the variety of interpretations which are possible under the IRO definitions. It is our understanding that IRO is reviewing this matter, and that no action is to be taken in the field until we receive instructions from London. It should be borne in mind, however, that the military authorities have already begun to press us, since, in their opinion, this Resolution implies that many of the displaced persons found ineligible in our Spring survey will now be eligible, and the Army will be able to transfer them to our care.

9. We were generally pleased with the provisions of the displaced persons, health and welfare Resolutions, since they indicated a reasonably early and practical approach to the problems of transition from UNRRA to the United Nations Organizations concerned with these problems.

DISTRIBUTION OF COTTON CLOTH.

10. A plan has been worked out by the Mission through the Bureau of R. & D. for the manufacture of various kinds of cotton cloth from the 30,000 tons of imported cotton. By agreement with the Government, this cotton will be manufactured into cloth at a cost calculated to provide for the sale of 20,000 tons at a modest price, still permitting the free distribution of 10,000 tons. The Bureau of Relief Services, in conjunction with the Italian Delegation, has held a series of meetings with the appropriate Government Ministries, and has developed a plan for the allocation of these 10,000 tons to meet the needs of institutions and individuals under the care of these Ministries. Under this plan, a unit of issue has been established of per bed for various kinds of institutions and per individual according to five groupings on an age and sex basis. These issues are limited, but will nevertheless go a long way towards meeting the needs of these groups.

11. The agencies participating are the Office of the High Commissioner for Health and Hygiene, the Ministry of Post-War Assistance, the Ministry of Labor, the Ministry of the Interior, the ONMI (Opera Nazionale Maternita e Infanzia - National Maternal and Child Welfare Institute),

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12. We have transmitted these requirements to the Bureau of R. & D. which is carrying out the entire plan of processing, in conjunction with the Italian Government. We have also started discussions concerning actual plans of distribution with the Ministries concerned.

LIQUIDATION PLANS.

13. We have had some preliminary discussion with the Chief of Mission concerning the proposed Liquidation Plans from Washington. In our opinion, these Plans do not take into consideration the fact that the various Divisions of the Bureau of Relief Services are responsible for distribution of considerable quantities of supplies. The Liquidation Plans, therefore, do not take into consideration the necessity of a period between the receipt of supplies and the execution of plans for distribution of supplies. Curiously enough, this period is allowed for under the headings of Food, Textiles, Industrial and Agricultural Rehabilitation Supplies, etc., but is not allowed for some of the very same items for whose distribution the Bureau of Relief Services is responsible. It is imperative that adjustment be made to make the Plan coherent and consistent. It is important also - if not more important - to bear in mind that the major aspects of programs such as Health, Welfare and C&S&S are those of ensuring proper continuation of Government programs along similar or improved lines.

14. In the case of Health, the biggest aspect of the work will be the successful launching of the large Live Fund projects for epidemic control, reconstitution of health services, etc. In the case of Welfare, this involves the assurance of the continuation of child feeding programs and the possible initiation of the Ministry of Social Welfare. In the case of C&S&S, this will involve the launching of the 1947 Government program of repair and building of houses under complete Government auspices.

15. None of these programs will require full staff during the early part of 1947, but all of them will require the presence of a small number of personnel to bring to a reasonably successful culmination the work undertaken by the Bureau, and to ensure the proper undertaking of the initial steps for the larger programs to be carried out subsequently by the Italian Government.

A.A. SORIERI,
Deputy Chief of Mission and Chief,
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H-6-a. MONTHLY REPORT OF THE HEALTH DIVISION

FOR AUGUST, 1946.

RELATIONS WITH ITALIAN GOVERNMENT.

Medical Supply Program.

1. The third general distribution of relief medical supplies consisting of 521 tons, valued at \$ 561,930, was completed during August.
2. A plan for the first part of the fourth general distribution of relief medical supplies, consisting of approximately 700 tons with a value of \$ 1,184,386, was completed and approved by this Division. Distribution started during the month and 100 tons have been dispatched to 13 provinces in Italy. This distribution includes a large quantity of expendable items such as sulfa drugs, gauze, absorbent cotton, adhesive plaster, hypodermic needles and syringes, suture material, rubber gloves, pajamas, bathrobes, towels, toilet and laundry soap, blankets, and a number of surgical supplies.
3. A final plan for the distribution of the remaining 20 40-bed hospital units has been agreed upon by the High Commissioner for Hygiene and Public Health and this Division after completion of a survey of war-damaged hospitals throughout the country. In addition, 350 hospital beds and mattresses are being distributed in the immediate future to hospitals which do not need complete units. When distribution is completed, UNRRA will have given a total of six 200-bed units and 35 40-bed units to hospitals which have suffered war-damage in Sicily, Sardinia and the Italian mainland. A need for hospital beds and mattresses and for surgical instruments still exists. This need will be met by a further distribution of 3,000 beds which are available in excess of the requirements for hospital units and by the procurement of mattresses from Army surplus or other sources. It will not be possible to meet the requirements for surgical instruments in full, but this need will be met in part by the distribution of instruments which have already been procured from Army surplus.
4. This Division has approved a plan, submitted by the High Commissioner for Hygiene and Public Health, for the distribution of 32 of the remaining 44 laboratory units. Proposals have been received for the distribution of laboratory supplies and equipment to 12 other places, but slight modifications in the distribution will be necessary before delivery can be effected.
5. As mentioned in the Monthly Report of the Health Division for July 1946 (Attachment H-6-a, para. 4), distribution of ambulances is delayed due to shortage of skilled mechanics to carry out final inspection prior to delivery. Of the six ambulances delivered to Provincial Health Offices in August, one each was sent to Genoa and Imperia and two each to Bari and Turin.
6. During August this Division approved a plan for the immediate distribution of 962 dozen X-ray films, chest size, valued at approximately \$ 30,822, for use by sanatoria and tuberculosis sections of general hospitals throughout the country. It is anticipated that delivery of

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7. Approximately 436 tons of medical supplies were received in August by the ICE (Istituto Commercio Estero - Foreign Trade Institute) on behalf of the Italian Government.

8. From inception of the program to 29 August 1946, a total of 3,622,142.84 square meters of hospital linen had been dispatched for use in hospitals or health programs, according to verbal information received from a representative of the Italian Delegation.

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STATEMENT OF ACTIONS REQUESTED OF ERO.

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

IMMEDIATE WORK PROGRAM.

10. The activities of the Health Division are continuous and do not lend themselves to description under this heading. They are described under Sections devoted to "Relations with Italian Government" and "Major Activities" (paras. 1-7 and 11-34 respectively).

MAJOR ACTIVITIES.Headquarters Staff.

11. Nursing Activities. The 27 Italian nurses selected for the UNRRA Nurse-Teacher-Training Program sailed for the United States on 4 August. They are reported to have arrived safely in Washington, D.C. and are going forward with their studies.

12. Medical Supply Activities. In accordance with a plan approved by this Division, the distribution of penicillin throughout Italy, Sicily and Sardinia has been transferred from UNRRA to the Italian Government. This transfer has coincided with an increase in the monthly allotment of the drug available for distribution in the country from 20,000 vials in July to 200,000 vials in August. This increase in the quantity of the drug makes it possible for an increased number of diseases caused by penicillin-sensitive organisms to be listed for treatment, and for penicillin to be distributed in bulk to approved hospitals and clinics. The control of the distribution is retained by the High Commissioner for Hygiene and Public Health and strict supervision will continue to be exercised on the clinical use of the drug. Each vial of penicillin will be accounted for to the High Commissioner for Hygiene and Public Health through local medical committees which are responsible for the supervision of its clinical use.

Epidemiology.

13. No cases of plague or typhus fever were notified during the month. During July, there were 77 reported cases of smallpox, of which 64 occurred in Bari, seven in Naples, four in Reggio Calabria and two in Salerno.

14. Typhoid. The usual seasonal incidence of enteric fever is reported from a number of Italian Provinces, but the disease has appeared in epidemic form in the Provinces of Imperia and Sassari (Sardinia).

15. In the town of Diana Marina, Imperia Province, 389 cases of typhoid fever were reported from the outbreak of the epidemic, in the last week of July, to 8 August. The outbreak was due to contamination of the water supply by overflow from a cesspool containing infected fecal matter, which percolated through a faulty pipe in the aqueduct. Action taken by this Division included the immediate release of two ambulances to assist in the transportation of the sick.

16. In a report from the Office of the High Commissioner for Hygiene and Public Health, dated 29 August, it is stated that the typhoid epidemic in Diana Marina is decreasing. The total number of reported cases as measured taken by the Italian health

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16. In a report from the Office of the High Commissioner for Hygiene and Public Health, dated 29 August, it is stated that the typhoid epidemic in Diana Marina is decreasing. The total number of reported cases as of 29 August is 505 with 27 deaths. Measures taken by the Italian health authorities to stamp out the disease include the provision of large quantities of water-sterilizing powder, the dispatch of 6,000 doses of typhoid vaccine, and the allocation of 3,000,000 Lit. for medical services. In addition, the Ministry of Public Works has promised immediate repair of the faulty aqueduct at Diana Marina.

17. The outbreak of typhoid fever at Diana Marina gave rise to a number of cases in the Province of Bolzano which maintains a seaside colony for

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children at Diana Marina. A group of the children returned from the colony on 27 July and were sent to their homes. During the first 10 days of August, 22 children in this group, one of whom died, developed typhoid fever. The second group which returned to Bolzano on 5 August, and which have since been maintained in quarantine in a summer colony in that Province, has shown no signs of infection.

18. The typhoid epidemic at Sassari, Sardinia, occurred in the second 10 days of August when 230 cases were notified. The number of cases notified during the first 10 days of August was 7. This epidemic is again due to infection of water supply in a spring of unknown source which provided water to one particular section of the town in which the majority of cases have occurred. Action by this Division included the immediate air shipment of calcium hypochlorite to Sassari for treatment of the infected water supply and shipment by sea of blankets, pajamas, and equipment for an emergency hospital set up to handle the large number of cases.

Malaria Control.

19. The main operation of the Sanitary Engineering Section of this Division - the control of malaria in Italy by residual spraying with 5% DDT - was completed during the first week in August. The operation is summarized in a report prepared by this Division for release to the Information Branch which is quoted in its entirety below:

20. " UNRRA field sanitary engineers have completed six months of continuous work in the fight against malaria in many parts of Sicily and Continental Italy. The campaign was planned during the last quarter of 1945; and in January, 1946, the first UNRRA team, headed by Italian engineers trained by the Sanitary Section of the Health Division, arrived in Sicily. They were equipped with vehicles, spraying apparatus and also DDT and kerosene - unobtainable from other sources.

21. "During the three months the team spent in Sicily, it carried out residual spraying with DDT in 25 scattered areas. ('Residual spraying' is designed to ensure even spreading on walls and ceilings of DDT solution in a strength of between one and one-and-a-half grams per square meter). At the same time, other teams and engineers similarly equipped, began control work in the Province of Frosinone, including war-damaged Cassino.

22. "On completion of their work in Frosinone, these teams, augmented by additional engineers and vehicles, were diverted to the highly malarious coastal strip of Central Italy, extending from south of the Volturno River to a point north of Rome in the neighborhood of Lake Bracciano. This area comprises about 1,000 square miles and includes the major portion of the Province of Latina and parts of the Provinces of Rome and Caserta.

23. "When this work was finished, the engineers, equipment and vehicles were transferred to two large areas in Veneto and the Province of Udine and also to the delta of the River Po. The teams which had been working in Sicily, after carrying out spraying in a small number of areas in Southern Italy, were also transferred to the north east. By the middle of June, five UNRRA engineers, numerous teams of workers and 21 vehicles were carrying out malaria control measures over some 530 square miles in this area.

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24. "In the entire operation, covering continental Italy and Sicily, the UNRRA Italian Mission has supplied expert technical supervision through its trained field engineers. It has also provided 21 vehicles, 50 tons of pure DDT, 216,000 gallons of kerosene, 8,000 gallons of concentrated DDT emulsion, the necessary sprayers and other equipment. In the course of the operation UNRRA vehicles have covered 203,150 miles.

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25. "The work was carried out with the approval of the High Commissioner for Hygiene and Public Health and with the cooperation of the Medici Provinciali and Anti-malaria Committees, who provided local labor and supplementary means of transport. In some inaccessible areas teams had to use ox-carts, pack animals, rowing boats and barges. Without this operation, work on a large scale would have been impossible. The local labor was trained and supervised by the UNRRA field engineers and the number of persons engaged in spraying ranged from 25 to 150 in each area treated.

26. "Owing to the limited amount of DDT and transport available at the time it was necessary to exercise careful selection of the regions in which residual spraying was carried out. The areas chosen have been those in which the incidence of malaria in the civil population is highest, as well as those which are important food-producing regions. The areas included under these two headings comprise approximately one-third of the total malarious territories of Italy, excluding Sardinia.

27. "Figures for the work done are as follows:-

(1)	Total area sprayed	1,890 square miles
(2)	Number of houses sprayed	50,000
(3)	" " straw huts sprayed	20,000
(4)	" " rooms sprayed in (2) & (3) above ...	523,000
(5)	" " stables sprayed	23,000
(6)	" " pig pens and other out-houses sprayed	100,000 (approx.)
(7)	Total area of internal wall space sprayed ..	31,405,049 square meters

28. "The UNRRA anti-malarial campaign finished a program which was begun in Italy by Allied Military and other agencies, who demonstrated for the first time to Italian malariologists the technique of using DDT in the control of malaria. Italian malariologists, who hitherto had always relied upon Paris Green for their preventive measures, soon came to appreciate the value of this new insecticide, and decided to adopt it in their own anti-malaria campaign.

29. "As a result, publicity has recently been given to a campaign for the control of malaria, relying upon residual DDT as its principal weapon, which is to be carried out in 1947 on a nation-wide basis throughout Italy. UNRRA will leave in the country sufficient DDT to carry out this 1947 program. The necessary transport, kerosene and apparatus will, it is expected, be provided through a contribution of approximately 400,000,000 lire from the Lire Fund, created by the sale of UNRRA supplies in Italy and utilized for relief and rehabilitation projects agreed upon by UNRRA and the Italian Government.

30. "Although no conclusion can, as yet, be drawn from the results of the residual spraying in 1946, reports from the treated regions indicate that the incidence of malaria will be considerably reduced. There is every reason to believe that, if the same scheme is carried out in future years and is extended to all the malarious areas of Italy, the disease will, within a reasonable time, cease to be a problem both as regards public health and economic development in the affected regions."

31. Disinfection. "The scheme for the disinfection of residential institutions in Italy is expected to start on 1 September in those parts

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31. Disinfestation. The scheme for the disinfestation of residential institutions in Italy is expected to start on 1 September in those parts of the country from which the necessary information has been received.

Tuberculosis.

32. The Consultant in Tuberculosis, who had recently returned to Rome after temporary assignment in Austria, Poland and Germany, has been recalled to the European Regional Office. The valuable work initiated by him,

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in the full development of existing Italian tuberculosis services and their coordination under the High Commissioner for Hygiene and Public Health, will be continued by the Assistant Consultant in Tuberculosis, an Italian doctor, who has worked with this Division since the inception of the program and who is fully conversant with the existing Italian tuberculosis schemes and with the aims of the UNRRA Health Division.

Staff Medical Care.

33. Recommendations have been made to the Mission regarding the medical care of Class I and III Regional staff and these recommendations will be implemented when approval has been given by the Mission.

34. Health Division Dispensary attendance in Rome for the month of August is summarized below:

Type of Service	Class I and III			Class II		All Classes	
Misc. attendances (nursing treatments, minor surgical interventions, claims)	109			623		732	
Immunizations						21	
First attendances (Dispensary and home)	125			284		409	
Repeat "	164			427		591	
Physical examinations	3			413		416	
Deliveries	-			-		-	
X-rays (UNRRA film)	9			49		58	
Laboratory tests						53	
Dental treatments	93			194		287	
Major surgical operations	2			-		2	
First aid (Breda and non-UNRRA patients)							
	2			5		7	
TOTALS	507			1,995		2,576	

Regional Staff.

35. The recommendation that Regional Medical Supply Officers should be appointed to assist in the rapid and equitable distribution of relief medical supplies to Provincial institutions has received the approval of this Mission and officers have been appointed in the five Regions of Sardinia, Naples, Rome, Florence and Milan.

36. Regional Medical Officers report satisfaction with the present medical supply position and several of them have drawn comparisons between the condition of hospitals last year and the early months of this year - when many essential supplies were unobtainable - and the condition now when the majority of medical institutions are adequately supplied with their immediate needs.

37. The Regional Medical Officer for Sardinia has drawn attention to the water shortage in the Province of Cagliari. As a result of his recommendation, five hypochlorinators and 10 canvas water-storage tanks have been dispatched to the Medico Provinciale of that Province to remedy the situation.

38. An excerpt from the August Monthly Report submitted by the Regional

34. Health Division Dispensary attendance in Rome for the month of August is summarized below:

Type of Service	Class I and III			Class II		All Classes	
Misc. attendances (nursing treatments, minor surgical interventions, claims) Immunizations	109			623		732	
First attendances (Dispensary and home)	125			284		409	
Repeat " "	164			427		591	
Physical examinations	3			413		416	
Deliveries	-			-		-	
X-rays (UNRRA film)	9			49		58	
Laboratory tests						53	
Dental treatments	93			194		287	
Major surgical operations	2			-		2	
First aid (Breda and non-UNRRA patients)	2			5		7	
TOTALS	507			1,995		2,576	

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38. An excerpt from the August Monthly Report submitted by the Regional Medical Officer for Emilia and Toscana is quoted below as an item of interest:

"TOURS

"Castelnuovo in Garfagnana - Here I was met on arrival by the surgeon, the president of the hospital and by the Sindaco, Professor Loris Biagioni, Deputato al Parlamento, a young man of 30 - evidently a person with great local influence and authority. I was given a

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dinner at the Alborgo Globo by these three dignitaries and my arrival having been announced, the whole population of the town and the town band assembled in the piazza outside the hotel. After dinner and excerpts of music of a martial character, I appeared on the balcony accompanied by the Sindaco and the surgeon. The former introduced me to the crowd assembled below and I was given a considerable ovation. I attempted a few words in Italian without much success, and continued in English, which was translated via an interpreter by the Sindaco. Later, we went out into the piazza to where the 'musica' was performing and were warmly greeted by the crowd. Altogether quite a surprising reception, thanks to the UNRRA gift of a hospital unit to the hospital."

MAJOR RESULTS AND PROBLEMS.

39. Major results of Health Division activities have been discussed in other sections of this report (paras. 1-7, 11-12 and 14-19 respectively).

GENERAL HEALTH CONDITIONS IN ITALY.

40. The general health of the people of Italy remains satisfactory, with the exception of seasonal increase in enteric fever of which two outbreaks have been noted above (paras. 14-18 respectively), and the persistence of milk smallpox in Southern Italy, particularly in the Province of Bari.

E.C. BENN,
Director of Health.

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Attachment H.6-b

MONTHLY REPORT OF THE WELFARE DIVISION FOR

AUGUST 1946

INTRODUCTION

1) The absence of many government officials because of holidays during August had the effect of slowing, to a certain extent, progress on the accomplishment of the goals which we set for ourselves last month. No additional progress was made during the month in clarifying our relationships with the Ministry of Post-War Assistance and in enlisting the more active interest of that Ministry in overall welfare planning.

2) Our major accomplishments during the month of August were as follows:

- a) The completion of an allocation plan for the distribution of 10,000 tons of raw cotton which UNRRA is importing into Italy.
- b) The reaching of an agreement with the Ministry of Post-War Assistance on the services which UNRRA might provide to that Ministry, and the holding of several meetings with that Ministry in which UNRRA presented its analysis of steps which needed to be taken toward the solution of the Italian Displaced Persons problem.
- c) The completion of plans for the Summer Social Service Institute to be held in the north and the completion of plans for the Nutrition conferences which are to be held in Turin and Milan during September.
- d) The completion of the agreement with the Memmonite Service Committee.
- e) The completion of all travel arrangements for persons chosen for UNRRA's Social Service Fellowships.

FOOD AND CLOTHING DISTRIBUTION

3) Corrected reports received from the Italian Delegation office for the distribution of food for assistance purposes during June show that a total of 1,806,066 persons were fed during that month. Of this number 1,026,905 received the food through cooked meals and 779,161 received it through raw distribution.

4) The figures for July are still provisional and incomplete and show only a total of 1,791,069 receiving food to date. This total figure will probably be higher when complete reports are returned, but will probably not be as high as figures reported for May and April. Five provinces, Carbonia, two in Sicily and the cities of Naples and Rome, show a decrease in the number of persons fed during July as against May, and half of the decrease seems to have occurred in Naples. Welfare Division is at the present time awaiting explanations for such decrease both from the Italian Delegation and the Regional Office in Naples.

Difficulties were encountered

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c) The completion of plans for the Summer Social Service Institute to be held in the north and the organization of plans for the Nutrition conferences which are to be held in Turin and Milan during September.

d) The completion of the agreement with the Mennonite Service Committee.

e) The completion of all travel arrangements for persons chosen for UNRRA's Social Service Fellowships.

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5) Again during the month of August difficulties were encountered as a result of the new system of using the regular SEPRAI supply system for the movement of supplementary foods to provinces as opposed to the system used last year and earlier this year, whereby goods for assistance purposes were moved through a separate supply line. Nearly every province in the Toscana region reported delays during the month of August in the receipt of foods and as a result great anxiety developed over the provisioning of summer colonies, and a great deal of emergency buying and borrowing of food was necessary.

6) Plans are nearing completion for the distribution of 150,000 dollars worth of food contributed by the Maritime Catholic Committee

for Relief of Europe. All of these foods have not as yet arrived, but about 8,000 cases purchased under this plan are now in Italy. Plans to date call for this food being distributed between 15 December and 15 January in selected industrial communities where there is a high rate of unemployment. It will be distributed in established feeding centers through the regular Provincial Committee organization but with the Pontifical Commission for Assistance participating actively in the selection of persons to receive the contributed foods.

7) Tentative plans were also made during the month of August for the distribution of the supplementary foods contributed by organizations in the United States. This contribution from the United States will amount to about 32,000 cases of tinned foods and about 250,000 dollars for the purchase of other foods. We have recommended that the money be used to purchase in the order of priority pasta, flour and evaporated milk, or a combination of the three.

8) Plans made to date call for the distribution of these foods during the Fall and Winter months in those devastated mountain communities where the UNRRA supplementary feeding program has not been able to meet all needs of persons eligible to receive UNRRA foods.

ITALIAN DISPLACED PERSONS

9) On 10 August we held a meeting with representatives of the Ministry of Post-War Assistance and the Italian Delegation, the purpose of which was (a) to procure from the Ministry of Post-War Assistance a firm statement of its program, (b) to view together the problems which could be expected to arise in connection with Italian Displaced Persons, and (c) to formulate a cooperative plan for the next four to six months to solve these problems. While the Minister of Post-War Assistance was unable to attend the meeting, he sent a deputy and also the chiefs of each of the operating divisions of the Ministry. Shortly after the meeting, an individual conference was held with the Minister to follow up the points discussed.

10) While the Ministry representatives were not able to present at this meeting as firm a statement of program as we should have appreciated receiving, we did learn that the Ministry was taking steps to expand its activities to the field of general welfare looking toward the possible establishment of a Ministry of Welfare. In this regard, the advice and consultant service of UNRRA will be requested, and we contemplate that considerable work with the Ministry of Post-War Assistance will be necessary. While the idea of a central Ministry of Welfare is a good one, it can be of more harm than good unless program is clearly defined and unless organization and supervisory plans are considerably more clear cut, and more carefully thought out, than they now are with the Ministry of Post-War Assistance.

11) UNRRA representatives at this meeting had opportunity to review, on the basis of experience to date, problems encountered in work with Italian displaced persons, and to make definite suggestions as to steps that might be taken in solving these problems. Again we indicated that the ultimate objective was to get Italian displaced persons back to their home towns, and more particularly to arrange for their removal from the camps so that they might live a normal and useful life. Special actions were recommended for meeting the problems of housing, repatriation, employment and care of the chronically

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12) With respect to housing, it was recommended that (a) the Ministry of Post-War Assistance ask the Ministry of Public Works to set aside a percentage of rooms in modest houses and in small houses for camp residents; (b) the plan to subsidize camp residents in order to make the maximum use of the CASAS scheme for their rehousing be agreed upon as soon as possible; and (c) the officials of the larger communes such as Rome, Florence and Naples be approached to enforce laws for numerous people living in the same house to make the maximum use of space in these communes to house refugees and camp residents just as this has been done in some cities of the North.

13) In regard to repatriation or emigration to other countries, it was recommended that the Camps Division of the Ministry in Rome set up an office to provide information on repatriation and emigration to all the assisted of the Ministry including those in the camp.

14) With respect to employment, it was recommended that efforts be made to interest the Ministry of Public Works in setting aside a limited number of jobs for camp residents in the reconstruction program now going on in the devastated communes from which many of these camp residents originally came.

15) In regard to the chronically ill and incapacitated in camps, it was recommended that a review be made of all facilities for such care available in Italy, institutional or otherwise, and that a method be developed whereby these facilities might be made available to camp residents.

16) Shortly after this meeting, a survey which UNRRA had made in one Italian displaced persons camp was completed, and the results of this survey were made available to the Ministry of Post-War Assistance. The findings in this survey supported the recommendations for action made at the time of the meeting, and the relation of the recommendations to specific cases should help the Ministry initiate action.

17) During August, considerable movement of Italians from Venezia Giulia to Italy was reported, and this will increase the difficulties already present in solving the Italian displaced persons problems. As yet, we do not have specific numbers on this movement, but should have more information next month.

REACTIVATION OF SOCIAL SERVICES AND COORDINATION OF COMMUNITY ACTIVITY FOR WELFARE PURPOSES

18) As has been indicated, no additional progress in reaching a firm decision as to the future welfare program was made during the month of August. Two factors account for this. One, the absence on holidays of many Government officials during August and two, the increasing interest in future planning expressed by Government Ministries in addition to the Italian Delegation which has resulted in a reconsideration of many of the plans originally proposed. The latter we interpret as an extremely healthy attitude, but it will mean that more time will be required to work out with all interested groups and individuals a plan which will be satisfactory and approvable to everyone.

19) The summer colony program was well under way during the month of August. On the whole, the program has been well organized and has resulted in definite benefits to the children participating in it. In most of the colonies an improvement in the general health of the children and increase in weight have been observed. Regional welfare officers have been active in visiting the colonies within their regions so as to appraise and to make recommendations for future planning.

20) In most of the regions disappointment has been expressed over the manner in which the Gioventù Italiana organized its colonies. This organization has some of the best equipment and buildings,

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20) In most of the regions disappointment has been expressed over the manner in which the Gioventù Italiana organized its colonies. While this organization has some of the best equipment and buildings, its program generally has reflected the authoritarian methods of the Fascist party under which it was originally organized. The emphasis in these colonies has been largely on the provision of food, and outside of this there seems to be an unawareness of other objectives of a summer camp program for children, and how such objectives might be achieved. In these colonies in particular there is a great need for a planned program of camp education and recreation.

21) In Genoa, the program for the "boys of the street" to combat

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the problem of juvenile delinquency, is making considerable progress. This program was developed by the Silesian Fathers, with the assistance of the Secretary of the Genoa Provincial Committee. In the City of Genoa many young boys were found on the streets leading a hard-to-mouth existence. They were street entertainers, beggars, pilferers, procurers, small black marketeers and, in fact, dealers and middle men in all kinds of vice. The Silesian Fathers procured a bombed-out and devastated hospital in which a noonday meal was offered with UNRRA foods. At first the boys were reluctant to go to the center, but now 200 of them remain there all day. The boys themselves are clearing the rubble and doing minor repairs on the building, and recreation and educative programs have been organized. In the fall the boys will be referred to appropriate vocational and regular schools.

22) Plans for the Milan Social Service Institute have been completed and the dates of the Institute from the 15 September to the 2 October have been established. Representatives of UNRRA will participate with Italian authorities in the meetings of the Institute.

WORK OF HEADQUARTERS NUTRITIONISTS

23) During the month of August plans were practically completed for two regional nutrition conferences to be held in Turin and Milan. The conference in Milan will be from 15 September to 20 September and that in Turin will be from 29 September to 3 October. Immediately after the conference in Milan, the Nutrition Section of the Welfare Division will undertake an experiment which it has not tried to date in Italy. For two days after the Milan nutrition conference a demonstration for the general public of the care and use of dried milk, dried eggs and dried soup will take place in three or four large kitchens provided by Milan municipal authorities. Municipal authorities and representatives of the Ministry of Food are extremely interested in this demonstration because SEPRA, the rationing agency in Milan, found that people were not buying these imported foods since they did not know how to use them.

24) The Nutrition Branch of the Welfare Division also participated during August in a review with the Food Division and the Italian Ministry of Food of all the ration scales now in effect in Italy. An attempt is being made to reduce the number of ration scales and to integrate into the general ration plan the present assistance scales.

RELATIONS WITH VOLUNTARY AGENCIES

25) The agreement between UNRRA and the Mennonite Service Committee was completed during the month of August and was sent to Washington Headquarters for final approval. The agreement with the Congressional Service Unit was completed the preceding month. At the present time work is progressing on the formation of an agreement with the Catholic Committee for Relief Abroad.

RELATIONS WITH THE GOVERNMENT

26) There was more contact than usual during the month of August with the Ministries of the Government having an interest in social

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RELATIONS WITH THE GOVERNMENT

26) There was more contact than usual during the month of August with the Ministries of the Government having an interest in social welfare plans. The Ministries with whom we worked during this month were the Ministry of the Interior, Education and Justice, as well as the Ministry of Post-War Assistance and the Italian Delegation for Relations with UNRRA. The help of all the above Ministries was enlisted in the preparation of an allocation plan for the distribution of cotton cloth and in addition, all of these Ministries are at present giving thought and consideration to suggestions for future welfare plans for the country. Our working relations with these Ministries as well as with the Italian Delegation continue to be good.

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IMMEDIATE WORK PROGRAM

27) Our major immediate objectives are:-

- a) The completion of the distribution plan for approximately 10,000 tons of cotton to be distributed free.
- b) The completion of arrangements for the distribution of the foods contributed by the Maritime Catholic Committee.
- c) The holding of Nutrition conferences in Milan and Turin.
- d) The holding of a Social Service Institute in Milan.
- e) The implementation of the camp evacuation order prepared by the Ministry of Post-War Assistance.
- f) The integration of the assistance ration scales with the country's general ration plan.
- g) The reaching of a decision with the Government with respect to future welfare services.

PHOEBE BANNISTER

DIRECTOR OF WELFARE

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MONTHLY REPORT OF THE SPECIAL RELIEF PROJECTS DIVISION

BUREAU OF RELIEF SERVICES

FOR AUGUST, 1946

RELATIONSHIP WITH NATIONAL GOVERNMENT

1. Routine meetings concerning CASAS (Comitato Amministrativo Soccorso ai Senzatetto) and the Processing Section continue to be held with and between the relevant Government Ministries.
2. A Committee has been formed of representatives of the Ministry of Post-War Assistance, CASAS and UNRRA Division of Welfare and Division of Special Relief Projects to clarify and to put into immediate effect actions requiring the collaboration of the three organizations on camp evacuation.

RELATIONSHIP WITH OTHER AGENCIES

3. Noteworthy event of the month was a conference of the CASAS District Engineers, the UNRRA personnel and the members of Voluntary Society Agencies working on the CASAS project. This conference was exceptional in that it was attended by representatives of American, British and Swiss Agencies and afforded therefore an example of practical international collaboration which is probably unique in the world to-day.

SUMMARY OF OPERATIONS

Processing Section

General

4. The month has been a successful one. Our ability to furnish all sorting points with enough material to process, and the improvement of the electricity supply, has permitted greater activity all round. The interruption in the delivery of cloth from the Italian Delegation has, however, continued with consequent delay in the work of new production.

5. A total of 64 workshops and two warehouses were operated during the month. New workshops were opened at Ostia (2) Castel Gandolfo (1) Acquasanta (1) and Florence (1) (on New Production) and at Naples (2) Nemi (1) Chieti (1) and Florence (1) (for Clothing repairs).

Used Clothing

6.	The number of garments sorted during month	930,140
"	" " repaired "	240,943
"	" " "	1413

The increases shown during recent months have, therefore, been maintained. The increase over the July figures for "garments sorted" is almost 36%, while for "repairs" it is 50%. Comparative figures

2. A Committee has been formed of representatives of the Ministry of Post-War Assistance, CASAS and UNRRA Division of Welfare and Division of Special Relief Projects to clarify and to put into immediate effect actions requiring the collaboration of the three organizations on camp evacuation.

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Used Clothing

6. The number of garments sorted during month 930,140
" " repaired " 240,943 1113

The increases shown during recent months have, therefore, been maintained. The increase over the July figures for "garments sorted" is almost 30%, while for "repairs" it is 5%. Comparative figures are as follows:

Garments sorted	May	June	July
" repaired	489,915	516,324	635,620
	77,268	125,349	159,676

The large increase during the period under review has chiefly been due to two factors (1) it has been possible to supply all workshops with enough material to process (2) the newly-organized sorting point near Palermo has, for the first time, been working during the whole period.

- 2 -

New Production

7. Despite the fact that during a large part of the month there was a shortage of material - and consequently it was necessary to turn some of the new production workshops over to clothing repairs - there has been an increase in the number of items produced. Figures for the month are as follows:

Number of items cut	164,446
" " garments made	327,245

Shoes

8. The processing of about 370,000 pairs of mis-mated army boots assigned to this section came to an end during the period covered by this report - four weeks earlier than had been originally anticipated. In consequence the number of pairs "processed" was less than last month. However, the number of pairs "repaired" was increased by more than 25%, due mainly to the electricity supply returning to normal, and to the increased capacity of the John E. Lynch Workshop. The repairs necessary were more difficult, due to the poor quality of shoes received.

Number of pairs sorted during month	163,672
" " " repaired "	104,464

9. The production of sandals from unrepairable army boots continues. With the addition of rubber soles, two pairs of sandals are being made from each pair of boots. To date 6,250 pairs of sandals have been produced.

Salvage

10. The delivery of salvage material has ceased, and the number of items produced during the month has therefore decreased. As mentioned in the last report (see H-6-(c)) three of the original workshops employed on salvage have now been closed, and the remaining one at Torre Annunziata has been changed over to clothing repairs.

Number of items produced during the month	66,086
" " " " to date	402,798

Distribution

11. With the exception of Sicily, which will receive the clothing for distribution in that region from the newly-organized sorting point at Palermo, the Clothing Distribution to 600,000 persons has been completed.

12. The following tables show the quantities of goods which have been released from warehouses for distribution to Italian refugees and needy homeless persons:

	Clothing Items	Clothing Units	Shoes	Bedding Items
Month to 15 Aug. '46	550,913	166,571	69,167	58,426
From commencement	3,935,378	1,090,160	792,148	85,547

In addition the following quantities have been released to Camps

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From commencement	3,935,378	1,090,160	792,148	85,547

In addition the following quantities have been released to Camps Division for Non-Italian Displaced Persons:

	Clothing Items	Clothing Units	Shoes	Bedding Items
Month to 15 Aug. '46	4,274	64	---	---
From commencement	217,068	43,188	11	2,918

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Other Production Statistics

13. Employees in Italian camps	932
" in Non-Italian camps	337
" in Religious Institutions	246
" assisted outside camps	662
" skilled (mainly on shoe repairs)	451
" administrative	79

Total employees

2,707

Number of workshops and warehouses

66

14. The number of employees has increased from 2,573 last month, despite the reduction in number of workshops. This increase is due to the inclusion of approximately 220 workers, under the responsibility of U.D.I. (Unione Donne Italiane - Union of Italian Women) employed on the manufacture of underwear. While these women do not belong to the categories of persons especially sponsored by the Ministry of Post-War Assistance, nevertheless they do live in one of the most war-torn areas, and desperately need the additional income that they obtain from the work. This, indeed, is patently true in all areas, and an extension of the relief project idea on a home industry basis is in our opinion, possible, economically sound and urgently necessary.

REPAIR AND CONSTRUCTION PROGRAM - CASAS

New Construction

15. Work is now in progress on 17 out of the total of 21 contracts approved by the Executive Committee (i.e. on a total of 480 apartments). Work has been delayed, however both at Torre Annunziata and at Cassino following unwarranted protests from local citizens. At Torre Annunziata a last minute objection by the owners of the proposed new site has been met with an expropriation order from the Prefect. At Cassino a last minute objection to a site agreed upon months ago by everyone concerned by the Mayor and Council of the town has forced us to postpone works until another competition is held for the smaller number of buildings that can be constructed on the less convenient site that is now offered.

Repairs

16. Considerable progress has been made during the month both in the administrative machinery and in the output of work. It will be noted that the repair rate has almost doubled during August (Rooms repaired in July were 4,210 in August 7,373).

17. The number of personnel now employed by CASAS is 655, of whom 104 are office staff and directing personnel. 1472

18. Hitherto the program has suffered from an over-concentration by the CASAS Executive Committee on the new construction side of the program, but after considerable persuasion from the Mission, the

Total employees

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Repairs

16. Considerable progress has been made during the month both in the administrative machinery and in the output of work. It will be noted that the repair rate has almost doubled during August (Rooms repaired in July were 4,240 in August 7,373).

17. The number of personnel now employed by CASAS is 655, of whom 104 are office staff and directing personnel.

18. Hitherto the program has suffered from an over-concentration by the CASAS Executive Committee on the new construction side of the program, but after considerable persuasion from the Mission, the Committee now fully appreciates the urgency of the repair work. Consequently upon this re-adjustment of outlook, is the appointment of H.Q. Departments with particular responsibility for "Repairs" and "Supply"; the granting of a wider responsibility to the District Engineers in the spending of funds, and the agreement to extend the program to areas other than those of the Gustav and Gothic Lines. Even more important is the Committee's agreement in principle to the establishment of a revolving fund to overcome the "bottleneck" to the supply of "anticipated materials" occasioned by the habitual shortage of funds in the offices of local Genio Civile.

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19. Plans for the use of a portion of this revolving fund for "anticipating" labor charges in the same way as the cost of material is "anticipating" have been worked out, and will, it is hoped, be put into effect this month. It is believed that these plans will go far towards the elimination of the most persistent of all the "bottle-necks" - that of poverty.

20. With the dual aims of making possible the functioning of the above plan and of taking over and expanding the work within the Communes currently undertaken by Voluntary Society members it is also planned to appoint OASIS representatives in all such Communes in our areas of operation where the amount of devastation justifies special attention.

Statistics (Repair Program)

21. A summary of the repair work to date is attached. Certain adjustments have been made in the figures shown in previous reports owing to a review and consolidation of reporting methods.

22. An important point to recognize in an examination of these statistics is that the longer we work in an area the more difficult the work becomes for the obvious reason that in the initial period we are repairing lightly damaged houses while at a later date we are often reconstructing homes from their foundations. Thus in Bologna where we have been working for a few months only the average weight of material required to repair a house is now approximately two tons, while in the Abruzzi where we have been working for a considerable period the average weight is approximately six tons.

23. Additionally the geography of an area has a considerable bearing upon our out-put ratio. Thus in some areas the communes are reasonably accessible, and the fornci strategically situated, while in other areas (e.g. Lucca and Carrara) we are helping mountain communes which in many cases are only accessible by mule track and where building materials have to be carried much farther.

Collaboration with Ministry of Post-War Assistance

24. For several months we have been assisting the Ministry of Post-War Assistance, mainly with free transport in their "Martyred Village Scheme" in Apunzia. Discussions have taken place during the month, both on the extension of this collaboration, and on the increase of collaboration on camp evacuation, reported in para. 2 above. Currently, however, we have considerable criticism of the Ministry's program, and it will be necessary for this to be considerably adjusted before we shall offer our full support.

GUIDO NAIZO
DIRECTOR,
SECULAR RELIEF PROJECTS
DIVISION.

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GUIDO NALDO
DIRECTOR,
SPECIAL RELIEF PROJECTS
DIVISION.

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ROOMS REPAIRED

	Up to 30 Nov 45	Dec 45	Jan 46	Feb 46	Mar 46	Apr 46	May 46	Jun 46	Jul 46	Aug 46	T
Latina	110		50	60	40	25	390	1,216	545	777	
Frosinone	1,050	222	345	203	309	302	197	153	299	848	
Abruzzi	1,888	180	196	175	356	387	450	817	789	760	
Castel di Sangro										820	
Porto S. Stefano		50	54	64	65	64	56	18	78	23	
Apuania	326	218	398	399	429	497	336	762	1,020	1,251	
Bologna						221	425	642	1,450	2,715	
Ravenna									29	179	
Totals - monthly	3,374	670	1,043	901	1,199	1,490	1,854	3,608	4,210	7,373	
Totals - progressive		4,044	5,087	5,988	7,187	8,683	10,537	14,145	18,355	25,728	

COMMUNES ASSISTED

	Up to 30 Nov 45	Dec 45	Jan 46	Feb 46	Mar 46	Apr 46	May 46	Jun 46	Jul 46	Aug 46	T
Latina	2	2	2	2	2	3	4	5	5	5	
Frosinone	12	14	16	29	29	29	29	29	29	29	
Abruzzi	14	14	14	14	16	21	23	30	34	34	
Castel di Sangro										12	
Porto S. Stefano		1	1	1	1	1	1	1	1	1	
Apuania	8	8	11	16	16	16	16	21	21	21	
Bologna			1	5	5	8	12	11	20	25	
Ravenna								3	7	14	
Totals	36	39	45	67	69	78	85	100	118	141	

ROOMS REPAIRED

Nov 45	Dec 45	Jan 46	Feb 46	Mar 46	Apr 46	May 46	Jun 46	Jul 46	Aug 46	Totals
110		50	60	40	25	390	1,216	545	777	3,213
1,050	222	345	203	309	302	197	153	299	848	3,928
1,888	180	196	175	356	387	450	817	789	760	5,998
									820	820
	50	54	64	65	64	56	18	78	23	472
326	218	398	399	429	1,97	336	762	1,020	1,251	5,636
					221	425	642	1,450	2,715	5,453
								29	179	203
3,374	670	1,043	901	1,199	1,495	1,854	3,608	4,210	7,373	
	4,044	5,087	5,988	7,187	8,683	10,537	14,145	18,355	25,728	25,728

COMMUNES ASSISTED

Nov 45	Dec 45	Jan 46	Feb 46	Mar 46	Apr 46	May 46	Jun 46	Jul 46	Aug 46	Totals
2	2	2	2	2	3	4	5	5	5	
12	14	16	29	29	29	29	29	29	29	
14	14	14	14	16	21	23	30	34	34	
									12	
	1	1	1	1	1	1	1	1	1	
8	8	11	16	16	16	16	21	21	21	
		1	5	5	8	12	11	20	25	
							3	7	14	
36	39	45	67	69	78	85	100	118	141	

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PEOPLE REHOUSED

	Up to 30 Nov 45	Dec 45	Jan 46	Feb 46	Mar 46	Apr 46	May 46	Jun 46	Jul 46	Aug 46
Latina	212		97	116	77	48	760	2,347	1,090	1,392
Frosinone	2,237	428	667	392	596	583	380	295	467	1,223
Abruzzi	3,644	347	378	338	687	747	868	1,577	1,523	1,240
Castel di Sangro										1,086
Porto S. Stefano		97	104	124	126	124	108	35	150	37
Apuania	629	421	768	770	828	959	648	1,471	1,969	1,660
Bologna						427	821	1,239	2,798	3,029
Ravenna									56	199
Totals - monthly	6,772	1,293	2,014	1,740	2,314	2,888	3,585	6,964	8,053	9,866
Totals - progressive		8,065	10,079	11,819	14,133	17,021	20,606	27,570	35,623	45,489

MATERIALS CARRIED (in tons)

	Up to 30 Nov 45	Dec 45	Jan 46	Feb 46	Mar 46	Apr 46	May 46	Jun 46	Jul 46	Aug 46
Latina	685		360	350	945	257	1,818	3,036	3,190	5,268
Frosinone	4,600	960	277	729	664	760	183	979	2,554	5,089
Abruzzi	9,440	1,085	1,437	1,284	1,717	7,953	7,553	7,725	6,552	8,930
Castel di Sangro										3,605
Porto S. Stefano		205	186	195	197	172	93	162	277	168
Apuania	824	636	706	853	1,565	3,649	3,206	2,339	2,783	3,964
Bologna			80	210	1,498	2,201	1,572	1,034	1,459	1,926
Ravenna								20	625	2,194
Totals - monthly	15,549	2,886	3,126	3,621	6,586	14,992	14,425	15,295	17,440	31,144
Totals - progressive		18,435	21,561	25,182	31,768	46,760	61,185	76,480	93,920	125,064

PEOPLE REHOUSED

Nov 45	Dec 45	Jan 46	Feb 46	Mar 46	Apr 46	May 46	Jun 46	Jul 46	Aug 46	Totals
212		97	116	77	48	760	2,347	1,090	1,392	6,139
2,237	428	667	392	596	583	380	295	467	1,223	7,318
3,644	347	378	338	687	747	868	1,577	1,523	1,240	11,349
									1,086	1,086
									37	905
	97	104	124	126	124	108	35	150		
629	421	768	770	828	959	643	1,471	1,969	1,660	10,123
					427	821	1,239	2,798	3,029	8,314
								56	199	255
6,772	1,293	2,014	1,740	2,314	2,888	3,585	6,964	8,053	9,866	
	8,065	10,079	11,819	14,133	17,021	20,606	27,570	35,623	45,489	45,489

MATERIALS CARRIED (in tons)

Nov 45	Dec 45	Jan 46	Feb 46	Mar 46	Apr 46	May 46	Jun 46	Jul 46	Aug 46	Totals
685		360	350	945	257	1,818	3,036	3,190	5,268	15,909
4,600	960	277	729	664	760	183	979	2,554	5,089	16,795
9,440	1,085	1,437	1,284	1,717	7,953	7,553	7,725	6,552	8,930	53,676
									3,605	3,605
	205	186	195	197	172	93	162	277	168	1,655
824	636	706	853	1,565	3,649	3,206	2,339	2,783	3,964	20,605
		80	210	1,498	2,201	1,572	1,034	1,459	1,926	9,980
							20	625	2,194	2,839
5,549	2,886	3,126	3,621	6,586	14,992	14,425	15,295	17,440	31,144	
	10,435	21,561	25,182	31,768	46,760	61,185	76,480	93,920	125,064	125,064

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H-6-3. MONTHLY REPORT OF THE DISPLACED PERSONS

DIVISION FOR AUGUST 1946.

RELATIONSHIP WITH THE ITALIAN GOVERNMENT.

1. Negotiations are proceeding, as outlined in Article 3, paragraph 2 of the UNRRA/SACRED Agreement, for derequisition by the Military and derequisition by the Italian Government of immovable property required by the Division for its operations on behalf of displaced persons. The task is complicated by such problems as the 470 individual dwellings comprising the Lecce Group of four village camps and the question as to whether certain Italian military barracks now in process of derequisition by the Allied Military Authorities can be made available for UNRRA camps. It had been hoped that the addition of several such facilities would enable the Division to consolidate its camp program and, at the same time, release to the Italian community vitally needed residential and school property.

2. The various branches of the Division continue to receive numerous inquiries regarding non-Italian persons, possibly eligible for UNRRA care, or displaced persons, who are detained by the Italian Government at the Fossoli di Carpi camp for aliens, in the province of Modena. These persons are presumably under arrest for infraction of the Italian law, and therefore UNRRA is unable to intervene on their behalf.

RELATIONSHIP WITH THE MILITARY AUTHORITIES.

3. ASDQ has received persistent reports of undue pressure on anti-France Spaniards to return to Spain. We have been asked by the Military Authorities to make a careful investigation of these reports as they affect the Spanish displaced persons receiving UNRRA care. We have re-interviewed each of these Spaniards and there appears to be no reason to believe that any pressure is being exerted on them to return to Spain. The Spaniards in UNRRA camps are mostly Republicans who were in France at the outbreak of World War II and were later either interned, or deported by action of the enemy.

RELATIONSHIP WITH OTHER GOVERNMENTS.

4. Repatriation of displaced persons to France to north-western European countries via France has been upset by changes in procedure. The Villefranche Transit Camp was closed by the French authorities and non-French displaced persons carrying military D.P. cards are no longer accepted for free transit to French territory. Because of this, the orderly movement of French and Belgian displaced persons from our Ginecitta camp was interrupted in July and August and it was only by special concession to relieve the overcrowded conditions in that camp, that the French authorities permitted entry into France of some 247 French citizens and privileges, and a group of 9 Belgians. We are now awaiting new instructions from the French and Belgian authorities in Italy as to how we are to proceed in the future.

5. Regarding the Greek mixed families at Bari, we have still had no favorable reply from the Greek authorities as to the admission of these families to Greece.

by the Allied Military Authorities can be made available for UNRRA camps. It had been hoped that the addition of several such facilities would enable the Division to consolidate its camp program and, at the same time, release to the Italian community vitally needed residential and school property.

2. The various branches of the Division continue to receive numerous inquiries regarding non-Italian persons, possibly eligible for UNRRA care, as displaced persons who are detained by the Italian Government at the Bonasoli di Campi camp for aliens, in the province of Modena. These persons are presumed under arrest for infraction of the Italian law, and therefore UNRRA is unable to intervene on their behalf.

RELATIONS WITH THE MILITARY AUTHORITIES.

3. LACQ has received persistent reports of undue pressure on anti-France Spaniards to return to Spain. We have been asked by the Military Authorities to make a careful investigation of these reports as they affect the Spanish displaced persons receiving UNRRA care. We have re-interviewed each of these Spaniards and there appears to be no reason to believe that any pressure is being exerted on them to return to Spain. The Spaniards in UNRRA camps are mostly Republicans who were in France at the outbreak of World War II and were later either interned, or deported by action of the enemy.

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5. Regarding the Greek mixed families at Bari, we have still had no favorable reply from the Greek authorities as to the admission of these families to Greece.

MAINTENANCE AND CARE OF DISPLACED PERSONS.

6. The change-over from military-supplied rations to UNRRA stores, as projected in the UNRRA/SHOMED Agreement, was accomplished smoothly and since 1 August, all camps have been receiving established UNRRA dry rations, supplemented by fresh fruit and vegetables daily, and fresh fish twice weekly, prepared at the group level. Some difficulties were encountered at first but most of these were overcome during the month of August and, generally speaking, displaced persons find the

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present menus more varied and appetizing than those prepared from the military rations. The single serious deficiency is fresh meat. Negotiations to obtain ERO authorization for the expenditure of other than lire funds for the procurement of this item from Allied Military sources have not yet been successful.

7. The change-over in payment of salaries for locally-employed camps staff proved to be quite complicated. Prior to 1 August, such staff was paid from Assistenza Post Bellica lire funds made available to the Allied Commission. In addition, UNRRA had developed two other categories of local employees -- those working on so-called industrial projects and persons employed by the camp committee from the community's lire fund. The introduction on 1 August of Regular Mission Class II budget lines for some of the old EC-paid positions applying, as they did, in some cases to private camp residents and in other cases to Italian residents in the area, brought additional discrepancies to a situation which had already become quite confused. As a result of the Camp Committee's conference in the Lecce Group, attended by HQ personnel, a new basic wage plan was worked out. This plan, effective in the Lecce Group 1 September and proposed for the other camps effective 1 October, provides that all displaced persons residing in the camps and employed on Class II budget lines on industrial projects, or in community services positions, will be paid on a special D.P. wage scale, depending on the classification of the job, plus full subsistence. Employment in these positions provides for about 17% of the total camp population. Persons not enjoying D.P. status but essential to the functioning of the camp will be employed, but only to fill established Class II budget lines; they will be paid the prevailing Class II scale but will, of course, be expected to provide for their own maintenance. It is hoped that this scheme will eliminate at least a part of the discrepancies and, at the same time, provide an incentive for constructive work in the camp community, which is made up, in many cases, of D.P.s whose future is so uncertain that there is little motivation for spontaneous and voluntary contribution to the community.

8. In addition to the 10 camps UNRRA accepted from the Allied Commission, we have now ready for occupancy the Rivoli camp near Turin, which can accommodate about 1,300 people. Negotiations for the use of the Bari Airlift camp as a D.P. camp are proceeding and consideration has been given to the possibility of securing the Eugenia Barracks in Milan. This should provide adequate facilities to house D.P.s now living in the village camps of the Lecce Group, should it be decided to close these dispersed and uneconomic units. We should also now have space to provide for such additional displaced persons as may be found in Italy but who have not yet applied for UNRRA Camp care.

9. It should be recalled that the Division is providing assistance in the form of food, clothing, medical care and cash grants to a maximum of 7,500 persons residing in some 60 AJDC sponsored vocational training centers. As a result of reports about overcrowding and unsatisfactory living conditions in certain of these camps, a meeting was held on 1 August between AJDC and HQ staff of this Division, to suggest possible improvements in this program. It was decided at this meeting that,

- (a) an initial inspection would be made by a sanitation expert from the Medical Branch of this Division, in the company of an AJDC representative and the D.P. Field Welfare Officer in the area, to determine whether the centers meet minimum

line. The introduction of the August of Regular Mission Class II budget lines for some of the old AJDC-paid positions applying as they did, in some cases to D.P. camp residents and in other cases to Italian war residents in the area, brought additional discrepancies to a situation which had already become quite confused. As a result of the Camp Staff Directors' conference in the Lecce Group, attended by HQ personnel, a new basic wage plan was worked out. This plan, effective in the Lecce Group 1 September and proposed for the other camps effective 1 October, provides that all displaced persons residing in the camps and employed on Class II budget lines on industrial projects, or in community services positions, will be paid on a special D.P. wage scale, depending on the classification of the job, plus full subsistence. Employment in these positions provides for about 17% of the total camp population. Persons not enjoying D.P. status but essential to the functioning of the camp will be employed, but only to fill established Class II budget lines; they will be paid the prevailing Class II scale but will, of course, be expected to provide for their own maintenance. It is hoped that this scheme will eliminate at least a part of the discrepancies and, at the same time, provide an incentive for constructive work in the camp community, which is made up, in many cases, of D.P.s whose future is so uncertain that there is little motivation for spontaneous and voluntary contribution to the community.

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- (a) an initial inspection would be made by a sanitation expert from the Medical Branch of this Division, in the company of an AJDC representative and the D.P. Field Welfare Officer in the area, to determine whether the centers meet minimum standards of hygiene, justifying their continued existence as training camps and providing this is the case, to establish the maximum capacity for the camp,

(AJDC = American Joint Distribution Committee)

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- (b) periodic inspections would be made by the D.P. Field Welfare Officer serving the area in which the center is located, to determine that the capacity is not exceeded and that the roster of D.Ps. actually in residence in the camp corresponds to the list of persons certified by this office for UNRRA assistance,
- (c) an UNRRA welfare worker would be posted to each group of vocational training centers, who would be responsible to the Field Welfare Officer, and who would assist the residents in developing their training program and provide the Field Welfare Officer with progress reports.

This three-fold plan has now been in effect for several weeks and conditions in the vocational training centers have already shown considerable improvement.

WELFARE BRANCH.

10. Field reports indicate a significant decline in D.P. morale due, possibly, to the overall political situation and to other factors beyond the control of UNRRA. This increases the responsibility resting upon this Division and more specifically upon the Welfare Branch, to anticipate and eliminate wherever possible all causes of minor irritation, and to intensify education and employment planning. Indeed, if we are to forestall serious difficulties within the next few months, each UNRRA worker, whatever his function in the camp, must be prepared to exercise in the performance of his duties even greater forbearance and tolerance than before.

11. Vocational training is receiving increasing emphasis in all camps, despite material shortages. Electro-mechanics, machine knitting, tinamithing, blacksmithing, sewing, carpentry, auto-mechanics, gardening, stone masonry, shoe repairing, tailoring, cooking and baking, nursing, are some of the activities in which instruction was given during the month of August in one or more camps. A 5-weeks training course for physical education instructors recruited from all the southern camps is in progress at Bari. It is planned to extend this type of centralized project,

12. Recommendations have been made by this Branch that out-of-camps assistance clients be advised now that all grants will cease at the close of this year. In the meantime, effective in the month of September, a new scale of assistance has been established for all of Italy - a flat Lit. 3,000 per person in those areas in which food packages are not issued and Lit. 1,400 per person in areas where food is distributed (Rome, Naples, Bari). This is still not wholly equitable, since the food issued is considered to be of substantially greater value than is indicated by the difference in grants.

MEDICAL BRANCH.

13. Reports indicate that hygiene conditions of the northern group are very good. In the south, there are continuing difficulties due, in part, to the unsatisfactory arrangements for the employment of D.P. workers. Except for the outbreak of seven cases of primary malaria at the Di Bagnoli camp and a limited epidemic of what is suspected to be sand-fly fever at

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10. Field reports indicate a significant decline in D.P. morale due, possibly, to the overall political situation and to other factors beyond the control of UNRRA. This increases the responsibility resting upon this Division and more specifically upon the Welfare Branch, to anticipate and eliminate wherever possible all causes of minor irritation, and to intensify education and employment planning. Indeed, if we are to forestall serious difficulties within the next few months, each UNRRA worker, whatever his function in the camp, must be prepared to exercise in the performance of his duties even greater forbearance and tolerance than before.

11. Vocational training is receiving increasing emphasis in all camps, despite material shortages. Electro-mechanics, machine knitting, tinmithing, blacksmithing, sewing, carpentry, auto-mechanics, gardening, stone masonry, shoe repairing, tailoring, cooking and baking, nursing, are some of the activities in which instruction was given during the month of August in one or more camps. A 5-weeks training course for physical education instructors recruited from all the southern camps is in progress at Bari. It is planned to extend this type of centralized project,

12. Recommendations have been made by this Branch that out-of-camps assistance clients be advised now that all grants will cease at the close of this year. In the meantime, effective in the month of September, a new scale of assistance has been established for all of Italy - a flat Lit. 3,000 per person in those areas in which food packages are not issued and Lit. 1,400 per person in areas where food is distributed (Rome, Naples, Bari). This is still not wholly equitable, since the food issued is considered to be of substantially greater value than is indicated by the difference in grants.

MEDICAL BRANCH.

13. Reports indicate that hygiene conditions of the northern group are very good. In the south, there are continuing difficulties due, in part, to the unsatisfactory arrangements for the employment of D.P. workers. Except for the outbreak of seven cases of primary malaria at the Di Bagnoli camp and a limited epidemic of what is suspected to be sand-fly fever at the same camp, there has been no serious incidence in the camps of communicable diseases.

14. The dental condition of the majority of D.Ps. is reported to be bad, owing to the hardships they have suffered in recent years. In treating these people, there is a bottleneck in the provision of dentures, e.g., in Turin Camp, which has a population of 617, the dentist reports that nearly 100 of these people need artificial teeth. The maximum output of a dental technician using the dental laboratory equipment supplied by UNRRA

CI 6992

is 20 sets of dentures per month. Therefore, in Turin camp alone, the demands would keep one of the two dental technicians on the Milan Group budget occupied for four months, and this not considering the fact that the camp population is constantly changing. We have had difficulty too, in finding competent dentists who are prepared to work in camps. Regarding out-of-camps dental care, the cost of dental requirements of "Out-of-Camps" population is considerably in excess of that allowed for in the budget; e.g., in the Rome area during July, 22 sets of dentures were provided at a cost of Lit. 258,000. To meet the demands made in the Rome area, it is estimated that twice this number of dentures would be necessary. In the Rome area, 112 conservative dental treatments were carried out at a cost of Lit. 72,000. To fully meet demands, it is estimated that an expenditure of approximately Lit. 200,000 on this service would be necessary. If this dental care is to be made satisfactory, it will mean,

- (a) the provision of more budget lines for dentists and dental technicians to deal with "In Camps" care,
- (b) the doubling of the amount of money at present spent on "Out-of-Camps" dental care, so that dentures can be bought at a considerable expense on a virtually uncontrolled market.

15. The question of hospitalization of T.B. patients from the southern group of camps has become a problem. These patients will no longer remain in T.B. hospitals but will temporarily be accommodated at the Leuca hospital, which is not adequate for T.B. care. Arrangements have been made for 50 beds to be placed at the disposal of UNRRA in a new T.B. hospital in the province of Sondrio, and it is planned to transfer the patients to this hospital as soon as possible.

REPATRIATION AND RECORDS BRANCH.

16. The final tabulation of the 19,231 REOC forms was completed during this period and the resultant figures cabled to London. That portion of the survey which dealt with the repatriation or emigration intention of these 19,231 displaced persons revealed two important items,

- (a) only 755 of the total desired repatriation either by way of return to their countries of origin, or to place of former residence,
- (b) of the remaining 18,476 not desiring repatriation, 12,200 expressed a desire to go to Palestine.

The classification according to occupation showed that the vocations of these D.Ps. could be grouped under one or another of 152 skills. The largest group, that of tailors, numbered 2,557, while the next largest, 1,826, were classified as farmers (egg, chicken, animal). Two other compilations have been made, viz, to discuss what number of these 19,231 displaced persons claim to be Jewish and what number of these Jewish displaced persons are permanently incapacitated for work. The former classification revealed that out of the 19,231 displaced persons, 17,489 claim to be Jewish. This figure is broken down into 11,269 males and 6,220 females. The analysis made to ascertain the number of Jewish incapacitated showed that 174 fell within this category. These are broken down to show that 36 have others dependent

is estimated that an expenditure of approximately \$10,200,000 on this service would be necessary. If this dental care is to be made satisfactory, it will mean,

- (a) the provision of more budget lines for dentists and dental technicians to deal with "In Camps" care,
- (b) the doubling of the amount of money at present spent on "Out-of-Camps" dental care, so that dentures can be bought at a considerable expense on a virtually uncontrolled market.

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17. Lists of displaced persons claiming Ecuadorian, Peruvian, Dutch, Mexican and Argentinian nationality and desiring return to those countries, were presented to the respective consular offices in Rome. Appropriate consular action on most of these cases was promised.

CM 6992

18. During the period reported upon, 987 displaced persons have been repatriated from Italy. This number is divided as follows,

- (a) individual movements numbering 224, and
- (b) 7 group movements, totalling 763 persons, as follows,

- 56 Czechoslovaks to Czechoslovakia
- 143 Yugoslavs to Yugoslavia (3 moves)
- 208 Poles to Poland
- 9 Belgians to Belgium
- 99 Greeks to Greece
- 243 French to France

With regard to the Polish move, there had been some delays in securing the necessary clearance from the Military authorities in Austria. It is hoped that in the case of future moves, the securing of clearance and transportation will be expedited.

19. On 28 August, a meeting attended by Major Findlay of UNRRA Cairo, was held at Rome HQ, to coordinate the projected repatriation via Italy of 900 Polish displaced persons in the Middle East. This Division is prepared to lend its full support, including welfare escort personnel, to this move, which is expected to reach Naples, Italy, early in October. If a direct train from Italy to Poland cannot be arranged, the group will be moved to Tarvisio by Italian railroad facilities, where they will be transferred to a Polish-bound train originating at Villach in the British zone of Austria.

DAVID R. HUNTER,
Acting Director,
Displaced Persons Division.

REPORT UNIT - ITALIAN MISSION H-7 FORM S - 50

Code	Commodity Group	Acquisitions	Issues		
			It. Govt.	Field Operations	
	1	3	5	6	
010	Grains, Cereals & Preparations	64,418	64,136	282	1.
030	Meats & Meat Products	5,523	5,461	62	Lo
040	Fish, Shellfish & Products	576	526	50	
050	Eggs & Dairy Products	13,049	12,842	207	2.
060	Vegetables Fruits	10,487	10,425	62	
070	Sugar & Products	12,595	12,506	89	
080	Soap, Oils & Fats	11,167	11,160	7	3.
090	Miscellaneous Foods	693	693		46
110	Finished Garments	155	154	1	
160	Basic Leather Materials	144	135	9	+
170	Hides	415	415		
180	Unmanufactured Fibres	6,609	6,609		
200	Medical Supplies & Equipment	86	80	6	
610	Seeds & Plants	96	96		-
620	Fertilizers	7,721	7,721		
660 & 670	Agricultural Machinery	515	515		
740	Rubber Products	247	244	3	
810	Solid Fuels	894,002	894,002		4.
910	Crude Products	8,514	8,514		P
920	Wood & Paper Materials	1,163	1,163		
930	Chemicals	4,345	4,345		
940	Iron & Alloys	1,422	1,422		
950	Steel	4,457	4,457		
		1,048,399	1,047,621	778	

REPORT UNIT - ITALIAN MISSION H-7 FORM S - 50

Month August 1946

Commodity Group	Acquisitions	It. Govt.	Issues		Remarks
			Field Operations		
1	3	5	6		
Preparations	64,418	64,136	282		1. Expressed gross
ducts	5,523	5,461	62		Long Tons
& Products	576	526	50		
ducts	13,049	12,842	207		2. Based on Manifest
ts	10,487	10,425	62		Cables
ts	12,595	12,506	89		
ts	11,167	11,160	7		3. Adjustments July
oods	693	693			46 S-50
cc	155	154	1		
aterials	144	135	9		+ Col. 5. Code 010 1
	415	415			050 30
	6,609	6,609			080 58
Fibres	86	80	6		
s & Equipment	96	96			- Col. 6. Code 010 1
	7,721	7,721			050 30
	515	515			080 58
achinery	247	244	3		
	894,002	894,002			4. Does not include
	8,514	8,514			P.O.L. Acquisitions.
aterials	1,163	1,163			
	4,345	4,345			
	1,422	1,422			
	4,457	4,457			
	<u>1,048,399</u>	<u>1,047,621</u>	<u>778</u>		

9051

OK 7040

H - 8 IMPORTS FROM THE UNITED STATES
Country, Italy
Month covered by
report, August 1946

A. DISTRIBUTION OF SUPPLIES

Note: In accordance with instructions from Washington, Form S-50 (attachment H-7) has been substituted for Section A, Item 1, 2 and 3 of form M.S.R. - 1.

4. a. Supplies received from UNRRA by outright transfer and distributed by the Government:

1. Total turned over by the Government for further distribution (sum of items a-e)
- (a) To private distributive trade channels: Nil
 - (b) To industrial users including government enterprise for further processing: Nil
 - (c) To non-profit voluntary agencies (list): Nil
 - (d) To cooperative distributions: Nil
 - (e) To Governmental distribution agencies (list):
Instituto Comercio Estero.

Commodity Class	Long Tons
0	1,367,661
1	57,214
2	4,190
3	57
4	275
5	150
6	47,351
7	612
8 (excluding P.O.L.)	2,869,418
9	52,296
	<u>1405</u>
	4,399,224
	=====

2. Stocks on hand in Government's control not yet released to above agencies for distribution: Nil

of form M.B.A. - 4

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 Nil
 for further processing Nil
 (c) To non-profit voluntary agencies (list) Nil
 (d) To cooperative distributions Nil
 (e) To Governmental distribution agencies (list)
 Instituto Comercio Exterior.

Commodity Class	Long Tons
0	1,367,661
1	57,214
2	4,190
3	57
4	275
5	150
6	47,351
7	612
8 (excluding P.O.L.)	2,869,418
9	52,296
	<u>1405</u>
	4,399,224

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); 4,399,224 Long Tons.

b. Equipment (not included in Item 4.a) leased by Government from UNRRA, total to date: Nil

CM 7033

-2-

4.c.(1) Supplies distributed by Government to
30 June for which proceeds were received.... 2,295,085 Met. tons

This figure includes sales of 294,363 tons
of P.O.L. during February - April 1946
inclusive. 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 30 June 1946 for which no proceeds were
received 328,929 Met. 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 (1) above ... 14,656,900,116 Lire

1. B. (2) Proceeds of Sale of supplies under
A.L.C. (2) 14,656,900,116 "

P.O.L. (On account of Sales 1 May 1946 -
30 August 1946 until actual determinations).... 1,000,000,000 "

Coal (on account of Sales July, 1946)..... 740,449,125 "

Credited on account of Sales not yet
effected :

Raw Rubber	36,279,095 "
Pig Iron	16,500,000 "
Copra	55,153,750 "
	<u>16,505,287,086 "</u>

Less: Retained by Federazione Consorzi on account of
distribution costs to be determined 3,455,532,716

Customs duties on P.O.L. February - April
1946 inclusive and reimbursable to Lire
Fund 1,102,806,936

Retained by C.I.P. on account of dis-
tribution costs for P.O.L. during
February - April 1946 inclusive yet
to be determined 1,891,669,539

Distribution costs of seed potatoes... 118,590,600

Quota for equalising unified price
of imported Seed Potatoes 111,672,815 6,680,272,606 "

Balance paid into Special Proceeds of
Sale Account 9,825,014,480 "

(2) Amounts expended out of proceeds
under B,1, 2,275,000,000 "

(3) Proceeds received by Italian Government in respect of sales under (1) above ... 14,656,900,116 Lire

1. B. (2) Proceeds of Sale of supplies under 444-c. (2) 14,656,900,116 "

P.O.L. (On account of Sales 1 May 1946 - 30 August 1946 until actual determinations).... 1,000,000,000 "

Coal (on account of Sales July, 1946)..... 740,449,125 "

Credited on account of Sales not yet effected :

Raw Rubber 36,279,095 "

Pig Iron 16,500,000 "

Copra 55,153,750 "

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Less: Retained by Federazione Consorzi on account of distribution costs to be determined 3,455,532,716

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Retained by C.I.P. on account of distribution costs for P.O.L. during February - April 1946 inclusive yet to be determined 1,891,669,539

Distribution costs of seed potatoes... 118,590,600

Quota for equalising unified price of imported Seed Potatoes 111,672,815 6,680,272,606 "

Balance paid into Special Proceeds of Sale Account 9,825,014,480 "

(2) Amounts expended out of proceeds under B.1. 2,275,000,000 "

7,550,014,480 "

Recommended and approved appropriations not yet paid over 2,760,916,000

Recommended appropriations awaiting approval of Joint Presidents - expected by 8 September 1946 500,000,000 3,260,916,000 "

CM 7033

C. REGISTRATION, REPARATION 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-8, in accordance with London's Cable No. 1186.

Note: Statistics in Items C-6 through C-11 are for the period 21 July to 17 August, 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: 5,145

7. Total number of clinic visits to UNRRA-operated clinics: 9,345

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: 19.
(10 camp clinics, 8 camp hospitals and 1 central hospital).

9. Number serving these hospitals and clinics at end of period under review: A. Doctors: 29. B. Nurses: 50.

10. Total number of immunizations under UNRRA direction during the period: 4,030.

11. Total number of child health examinations under UNRRA direction during the period: 1,094.

D. PERSONNEL OF MISSION AS OF 31 AUGUST, 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	55	259	51
b.	Health	9	30	-
c.	Welfare	12	10	6
d.	Agricultural Rehabilitation	16	23	-
e.	Industrial Rehabilitation	34	79	-
f.	Requirements & Supply (excluding Divs. of Inland Tpt., Indust. Rehab. & Agr. Rehab.)	85	136	-
g.	Inland Transport (Bur. of R. & D.)	5	12	-
h.	Camps Operations	94	977	-
i.	Finance & Administration (except Divs. of Personnel & Vehicle Control)	85	484	-
j.	Personnel	10	42	-
k.	Vehicle Control and Maintenance	15	750	-
l.	Office of Chief of Mission (excluding Information Division)	19	131	-
m.	Information Division	11	11	-
n.	Regional Staff	107	889	54

7. Total number of clinic visits to UNRRA-operated clinics: 9,345

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: 19, (10 camp clinics, 8 camp hospitals and 1 central hospital).

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b. Health	9	30	6	
c. Welfare	12	10		
d. Agricultural Rehabilitation	16	23		
e. Industrial Rehabilitation	34	79		
f. Requirements & Supply (excluding Divs. of Inland Tpt., Indust. Rehab. & Agr. Rehab.)	85	136		
g. Inland Transport (Bur. of R. & D.)	5	12		
h. Camps Operations	94	977		
i. Finance & Administration (except Divs. of Personnel & Vehicle Control)	85	484		
j. Personnel	10	42		
k. Vehicle Control and Maintenance	15	750		
l. Office of Chief of Mission (excluding Information Division)	19	131		
m. Information Division	11	11		
n. Regional Staff	107	889	54	
TOTAL:	557	3,833	111	

-4-

D. 2. Nationalities of Class I Employees as of August 31, 1946.

American	200
Australian	3
British	278
Canadian	13
Danish	3
Egyptian	1
French	2
Greek	1
Icelandic	1
Indian	3
Haitian	1
Iranian	1
New Zealander	3
Palestinian	8
Polish	2
Russian	3
El Salvadoran	1
South African	27
Stateless	3
Swiss	2
Yugo-Slav	1

Total 557

D. 3. Employment of Personnel as of 31 August, 1946 by Sex.

Sex	CLASS I	CLASS II	CLASS III
Male	361	2,828	74
Female	196	1,005	37
	557	3,833	111

D. 4. Employment of Class I Personnel as of 31 August, 1946 by Grade.

Grade 1	-	1.	Grade 6	-	51.	Grade 11	-	48.
"	2	1.	"	7	73.	"	12	31.
"	3	1.	"	8	80.	"	13	9.
"	4	58.	"	9	86.	"	14	4.
"	5	43.	"	10	70.	"	15	1.

1
3
1
1
3
8
2
3
3
1
27
3
2
1

Icelandic
Indian
Haitian
Iranian
New Zealander
Palestinian
Polish
Russian
El Salvadoran
South African
Stateless
Swiss
Yugo-Slav

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Grade 1	-	1.	Grade 6	-	51.	Grade 11	-	48.
" 2	-	1.	" 7	-	73.	" 12	-	31.
" 3	-	1.	" 8	-	80.	" 13	-	19.
" 4	-	58.	" 9	-	86.	" 14	-	4.
" 5	-	43.	" 10	-	70.	" 15	-	1.

U. S. R. R. A.

Narrative Report for July 46.

1403

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION

ITALIAN MISSION

Chief of Mission's Narrative Report for the Month of

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. KERRY,
Chief of Italian Mission.

Distribution:

Allied Commission,
Brazilian Embassy,
British Embassy,
Chinese Embassy,
French Embassy,
Jugoslav Delegation,
Russian Embassy,

Albania,
Austria,
Cairo,
Caserta,
Greece,
Jugoslavia,
Italy (All Divisions, Camps)

- A. Introduction.
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Russian Embassy,
U.S. Embassy,
London,
Washington,

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

GA 6617

1102

1808

Declassified E.O. 12356 Section 3.3/NND No. 785021

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 unlvely 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, even to diverting or cancelling ships. Fortunately, the new Government came into power on the very morning of the first day of the strike and acted at once, invoking all the powers of Government agencies to continue distribution to essential services. The strike itself was settled after several days, with the strikers getting an increase in wages paid by increasing the cost of petrol. UNRRA was actually caught with only one tanker delayed for three days.

THE VISIT OF THE DIRECTOR GENERAL

b) The Petrol strike.

c) The visit of the Director General.

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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, even to diverting or cancelling ships. Fortunately, the new Government came into power on the very morning of the first day of the strike and acted at once, invoking all the powers of Government agencies to continue distribution to essential services. The strike itself was settled after several days, with the strikers getting an increase in wages paid by increasing the cost of petrol. UNRRA was actually caught with only one tanker delayed for three days.

THE VISIT OF THE DIRECTOR GENERAL

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

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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" La Guardia. The latter one was even more demanding than the first: many hundreds of people tried to see him personally, or to reach him by telephone, or by letters handed in to the office, or even through the window of his automobile. All of this was a novelty even for this Mission, which has seen many strange things. All-in-all, the visit was a real success: the Director General hammered home essential facts about the world shortage of supplies and, to make up for this, he made numerous personal speeches which greatly encouraged a people, who at this moment, feel very much in need of friends.

GRAIN

5. The grain problem has turned from one of fighting for enough bread for tomorrow, to building a plan that will make some sense for a year. The amassing has gone very well: of the goal for the year of some 2,379,852 tons of wheat about 72% had been amassed by the end of the month. The results were uniformly good, with the notable exception of Sicily, which has the same feeling for Government Agents as do moonshiners in Kentucky. Under the inspiration of their own oratory, apparently every speaker in every party had promised that if his people came to power, there would be an increase in the ration. The Mission had instructions that the decision was solely that of the Government, but we made it crystal clear that supplies were short and that caution was the word of the day. Nevertheless, the ration was raised on 22 July to 250 grams. This is by no means too much bread for a people who rely so heavily on this item in their diet. Also, the rise of 50 grams in the ration helped the amassing program and helped to break the Black Market, in which the price of bread fell by roughly 30 to 35 lire a kilo in Rome. There was also talk of increasing the pasta ration from two to three kilos a month, but this died down after we had stressed that it would take another half million tons of grain. This Mission also opposed any reduction in the milling rate which the High Commissioner of Food would like to have reduced from 90% to 85%. The Director General stressed the undesirability of this as have the British Government, the International Emergency Food Council, and 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 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 have been paid for the grain than was expected.

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COAL

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

GRASSHOPPER CAMPAIGN

8. July saw the end of this campaign with the triumphant record of less than 10% loss. This was a triumph for Cammexene 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, tincture, 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.

(c) To accelerate work on the Textile Program.

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

(d) To assist in accelerating the CASAS (Comitato Amministrativo Soccorso di Sopravvivenza - Administrative Committee to Aid the Survivors) Program for housing homeless Italians.

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

(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.

Began, 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 discussion 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.

(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.

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UNRRA's Role in the Italian Economy.

13. The month of July found UNRRA once again swimming into stride with a major volume of shipments into Italy. As compared with a trough in June of only 325,000 long tons and the peak load in April of 860,000, more than 1,000,000 tons arrived this month.

14. Coal, the plasma of the Italian economy and now without rival as the single most important import, reached a volume of over 470,000 tons in July and was expected substantially to exceed that amount in August. Bread cereal receipts, bearing out UNRRA's promise to

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

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

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

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

RELATIONSHIP WITH THE ITALIAN GOVERNMENT.

Supplementary Agreements Negotiated or in Progress.

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

General Problems of Relationship.

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

imports, the former bringing in such items as phosphate 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.

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20. 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 Trombelloni has been working in close collaboration with the Mission

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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-e).

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-a-i).

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

C. RELATIONSHIP WITH OTHER AGENCIES.

28. The UNRRA-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

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).

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D. SUPPLY AND DISTRIBUTION.

Requirements.

29. The crassing 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

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 live to purchase any uncontrolled foodstuffs on the home market. A decision was made that as soon as possible equalization of existing scales between North and South must be agreed upon.

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

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

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

Shipments Received and Purchases Within Mission Territory.

35. About 17,631 tons of agricultural supplies and raw materials for agricultural supplies have reached Italian Ports during July. In addition, 31 tons of sodium arsenite have been received and

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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.

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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 authorities. 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 EPO 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.

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 P.O. 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.

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

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

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

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

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

Industrial Rehabilitation.

47. Real progress has been made on the development of an overall plan for the use of raw materials for textiles. It has been agreed tentatively that pending the receipt of all the necessary statistical data, a first quantity of 8,200 tons of cotton shall be put into manufacture. Priority will be given to 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 18,937 tons and steel 94,529.

Agricultural Rehabilitation.

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

52. The cutting of fall wheat is practically over except in the mountain zones. Threshing is continuing at a good pace and the delivery of the amassi 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.

53. The prospective crop of sugar beets and potatoes is excellent, but legumes have been widely damaged by aphids. Tomatoes and tobacco, especially in Puglia, show signs of moisture deficiency. On the whole, vines and fruit trees are in good con-

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54. Allocations of petrol for fisheries have been largely increased. For the month of August the following allotments have been obtained: diesel oil - 7%, kerosene - 93%, and gasoline - 48% of maximum requirements. This will allow the fishermen to

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

E. SERVICES PROVIDED WITH UNRRA RESOURCES.

Welfare.

Services, Programs and Kind of Groups given Services.

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

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

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

58. The construction of new houses planned by CASAS (Comitato Amministrativo Soccorso di Sanzatto - 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.

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

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

60. The major accomplishments during the month were:

- (a) The reaching of an agreement with the Government on the limits to be met by it in presenting its plans for future welfare activities.
- (b) The signing by the Ministry of Post-War Assistance of the instruction which represents the first step taken by that Ministry in its evacuation of Italian Displaced Persons Camps.
- (c) The settlement of the many problems arising in connection with the special feeding program in 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-(1).).

62. Incomplete reports received to date for June show a feeding of 1,787,580 during that month. This figure is lower than those reported for preceding months because no distribution took place during June in Campobasso Province and the Comune of 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 out 311,408 new garments and made 491,209. It also sorted 183,150 pairs of shoes and repaired 80,460.

65. During the period 15 June to 15 July, 449,359 clothing items, 108,226 clothing units, 96,720 shoes and 179 bedding items were released from warehouses for distribution to Italian Displaced Persons, refugees and needy homeless persons. In addition, during the same period, 2,705 clothing items, 407 clothing units, and 1,910 shoes were released to Camps Division for non-Italian Displaced Persons.

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

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, began on eating food.

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

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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.

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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, 118 Greeks to Greece, three groups of Yugoslavs totalling 140 persons to Yugoslavia. During the same period approximately 200 displaced persons of different nationalities were repatriated individually. Preparatory work in connection with movement of 60 Austrians to Austria and 36 Czechs to Czechoslovakia was completed during the period.

74. Until recently AFHQ had issued travel orders for the repatriation of non-Italian displaced persons, but this 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 Cin-citta, 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 themselves to be ready for repatriation. The problem is further complicated by the fact that the greater part of these Greeks are not clearly eligible for continuing care as displaced persons under UNRRA Resolutions, but have been accepted by UNRRA upon request of the military authorities in Austria and AFHQ Italy for transit and repatriation. We are now carrying on discussions with the several parties involved, with a view to the early voluntary repatriation of a maximum number and the removal from UNRRA care of any residual group of ineligible.

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77. A meeting was arranged between General Belosim 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 AO responsibility, UNRRA will offer all possible services in connection with those Rumanians eligible for UNRRA care.

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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 ration. Arrangements have been made with the Food Division of the Sub-Bureau of Relief Supplies to release a two and a half months' requirements for all Displaced Persons' establishments as from August 1.

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

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

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

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

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

RESULTSMajor Results and Problems

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

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

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

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

88. The malaria-control program for the Italian mainland, which started on 1 May, is expected to be completed by the end of July.

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88. The malaria-control program for the Italian mainland, which started on 1 May, is expected to be completed by the end of July. Final figures are not yet available.

89. The scheme for the Nation-wide disinfection of hospitals, orphanages, institutions and jails is rapidly assuming final form. It is hoped that by 1 September engineers and equipment will be on the site and operations will be ready to start. However, the main difficulties at present are (1) failure of the Medici Provinciali (Provincial Health Officers) to send in requested information, and (2) the non-availability of kerosene in various provinces. In a

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

92. The 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 sanatorium at Sondalo.

RESULTS OF GENERAL HEALTH CONDITIONS

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

IV. 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 operations. In addition, the Information Division had direct responsibility for issuing press releases, texts of the Director General's speeches, and for keeping the local and foreign press informed of the Director General's movements.

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

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97. Increase in the bread ration was the subject of Mr. Keeney'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 smearing and the Lire Fund. The demand for "Economic Notes" both in English and Italian increased.

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 Wendall Wilkie Award, visited the Mission during the month.

C. ORGANIZATION AND ADMINISTRATION OF THE MISSION

Major Organizational Changes

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

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

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

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

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

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

Personnel

103. As of 30 July the Mission staff consisted of 567 Class I (regular) employees, 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)

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- (a) The Chief of Mission is now assisted by four Deputy Chiefs of Mission - the Chiefs of the Bureau of Finance and Administration, Relief Services, Requirements and Distribution, and the Industrial Adviser to the Chief of Mission.
 - (b) The Regional Directors are responsible to the Chief of Mission through the Mission Executive Officer, who will now deal with general matters concerning the Regions, and with questions of general policy affecting regional operations.
 - (c) The Special Assistant for Protective Services is directly responsible to the Chief of Mission through the Mission Executive Officer.
 - (d) The Office of Economic Analysis and Reports has been abolished, and in its place a Division of Operational Analysis has been reconstituted. The position of Economic Adviser has been merged with that of the Director of this Division, and he will report to the Chief of Mission directly. The Division consists of an Economic Analysis Branch and a Reports Branch.
102. The Division of Program Coordination and Statistics has been transferred from the Sub-Bureau of Supply Operations to the office of the Chief of the Bureau of Requirements and Distribution.

Personnel

103. As of 30 July the Mission staff consisted of 567 Class I (regular) employees, 3,334 Class II (locally employed) and 114 Class III (Voluntary Agency) employees -- a total of 4,015 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 13; 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 IRO fi-

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

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

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

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

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 Liro Fund Control Committee.
 - H-1-e. Minutes of Displaced Persons Committee.
 - H-1-f. Minutes of the Fourth Meeting of Liro Fund Control Committee.
- 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 3 July 1946.
 - H-3-c. "Weekly Bulletin", Vol. 2, No.25, dated 16 July 1946.
 - H-3-d. "Weekly Bulletin", Vol. 2, No.26, dated 24 July 1946.
 - H-3-e. Mr. LaGuardia's Press 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. Tenny and the Hon. Alcide De Gasperi, Primo Minister, on the subject of non-Italian refugees in Italy.
 - H-6-d (iii). UNRRA-SACRED agreement relating to transfer of responsibility for Displaced Persons from SACRED 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-3. Monthly Report of the Division of Public Information.

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

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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.
- 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.
- 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.

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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).

Supplies.
(For Washington and London only).

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

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. 51).

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 will be recalled as a memorable occasion by all those present.
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

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.

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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. Cioldelli, attended as observers a session of the Committee of the Council for Europe, which was held in London during the month of July.

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

Problems concerning other UNRRA Missions.

9. The problem of the Polish ship BATORI (see Attachment H-1 monthly report of June 1946, paragraph 6) was solved on 15 July, by the lifting of the lien which had been placed by the Italian shipbuilders. Consequently the Polish Government has withdrawn its ban on exports of coal to Italy.

10. The Austrian Mission and UNRRA/AFHQ requested this Mission to obtain from the Italian Government permission for a number of Austrian uniformed and armed guards to escort supplies destined to Austria in transit through Italian territory. We have been informed by the Government that such request cannot be granted. On the other hand the Government has instructed its representatives in Vienna to offer the UNRRA Austrian Mission the services of Italian armed guards for the protection of UNRRA goods in transit through Italy. This policy of the Italian Government is consistent with the directives contained in AFHQ's order dated 9 April 1946, according to which armed foreign guards of other than British and American nationality cannot be admitted in Italian territory.

Joint Committees.

The Price Committee.

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

11. During the month of July the Price Committee held three meetings. In addition to establishing the prices for a number of agricultural machines, fertilizers and other items, the Price Committee has determined some procedural principles for the purpose of ensuring the prompt application of the fixed prices on the part of the Italian agencies concerned.

12. The Supplementary Agreement between UNRRA and the Italian Government provides that the net proceeds of sale of UNRRA supplies be paid into the Lire Fund. Accordingly, for each commodity submitted to the Price Committee, the following figures are established:

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

13. The Price Committee works in close collaboration with the Lire Fund Control Committee, and several representatives of UNRRA and the Government sit in both Committees. Whereas the Price Committee, in fixing prices, estimates the costs of distribution for each UNRRA imported commodity, it is the function of the Lire Fund Control Committee, to analyze and check the distribution costs actually incurred by the agencies concerned in the handling of UNRRA goods. The Lire Fund may be increased or reduced in accordance with the findings of the Lire Fund Control Committee.

14. Another policy which is followed by the Price Committee consists in endeavoring to apply a uniform policy for prices of UNRRA imported goods and domestic products. The need for such uniform price policy was emphasized in a letter from Prime Minister De Gasperi dated 16 January to the

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

Lire Fund Control Committee.

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

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 SACRED

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

San Marino

19. Following the instructions from 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 to the Government that any supplies sent to San Marino will not be in addition to the UNRRA program for Italy. The Italian Government has not yet answered UNRRA's request.

P. Contini
SPECIAL ASSISTANT TO
THE CHIEF OF MISSION

Attachments:

Displaced Persons Committee meeting of 2nd July, 1946.

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P. Contini
SPECIAL ASSISTANT TO
THE CHIEF OF MISSION

Attachments:

H-44a	-	Price Committee meeting of 2nd July, 1946.
H-44b	-	" " "16th July, 1946
H-44c	-	" " "30th July, 1946
H-44d	-	Adre Fund Committee meeting of July 10th and 12th, 1946
H-44e	-	Displaced Persons Meeting of 4th July, 1946.

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UNRRA Italian Mission
Central Secretariat

PRICE COMMITTEE

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

PRESENT FOR UN RA:

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'Avola 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	Ministry of the Treasury
V. Marcolini	" " " "
A. Toffano	Inter-Ministerial Committee on Prices
A. Foglietti	Ministry of Agriculture
O. Gambioli	Ministry of Foreign Trade
L. Bellingeri	High Commissariat for Public Health & Hygiene
L. Trincas	

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.

H.H. Cleveland	Deputy Chief of Mission & Chief Bur. R & D
E.S. Lynch	Sub Bureau of Supply Operations
J.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
P. Contini	Special Assistant for Government Liaison
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G. Menzione	" "
V. Marcolini	Ministry of the Treasury
A. Toffano	" " "
A. Foglietti	Inter-Ministerial Committee on Prices
O. Cambioli	Ministry of Agriculture
L. Bellingeri	Ministry of Foreign Trade
L. Trincas	High Commissariat for Public Health & Hygiene

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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 (a)(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 (a) of the Agreement said that "the Government will discuss and agree with UNRRA" a number of policies, including price policies.
8. MR. D'ALESSANDRO explained further that the recommendations made by the Price Committee are final, subject to the following considerations:
 - a) that the recommendations be agreed formally by Mr. Keeny and Mr. Montini

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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.

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

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

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

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

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

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

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

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

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

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

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

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

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details on the procedure would be agreed subsequently.

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

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

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

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

- a) The price to the first consumer.
- b) The estimated distribution cost (exclusive of 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 from the landed cost (on the basis of 225 lire per dollar) and adds to it the costs of distribution. Therefore, MR. FOGLIETTI added there is a need for coordination of these two policies.

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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. TIRIE pointed out that there were some questions of principle which had to be solved. For example, UNRRA wheat is still being sold at 100 lire per dollar whereas the rate of 225 lire per dollar should be applied to all imported goods.

29. MR. CLEVELAND said that any proposal regarding general principles should be submitted to the Price Committee in the next and future meetings.

30. It was then agreed that the Price Committee will establish prices commodity by commodity. However, prices may be established for groups of commodities whenever a principle can be agreed applying to all the commodities in that group.

III. Review of prices of UNRRA imported commodities already agreed between the Italian Government and UNRRA.

31. MR. CLEVELAND, referring to the table of prices already fixed, (Document No. 2 attached to the minutes of the first meeting) asked if there were any questions on the prices previously agreed.

32. MR. CONTINI pointed out that the price of penicillin, which was quoted at 144 lire per vial in the above-mentioned document, had not been agreed by the Italian Government. The Government had been selling penicillin at 300 lire per vial and had not agreed to MR. KEENEY'S request that the price be lowered to 144 lire. Therefore penicillin should be omitted from the list of prices already agreed.

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

27. MR. MARCOLINI agreed with MR. CLEVELAND and said that prices should be established on an ad hoc basis. He added that in previous meetings the prices of some agricultural items had been exceptionally established at a lower price than the landed cost, whereas in other cases the prices on the domestic market would be taken into consideration.
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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.
42. It was then agreed that "Price Decision No. 1" will include all the prices previously agreed between UNRRA and the Government, and that reference should be made to the fact that the price for cotton goods applied only to the 1945 program.
43. MR. FOGLIETTI asked whether the price of wheat at 2250/2500 lire per quintal had been agreed by UNRRA.
44. MR. CLEVELAND said that wheat is now being paid at the amounts at the 2250/2500 price. However, the question of the price for UNRRA imported wheat should be submitted to the Price Committee.
45. MR. DELLA NEGRA pointed out that the Government at the present time buys the wheat from the amounts at 2250/2500 but sells UNRRA wheat to the mills at 900 lire.
46. MR. MARCOLINI said that at a meeting with UNRRA at which the High Commissioner for Food was present, it had been agreed that UNRRA wheat imported up to July 31st would continue to be sold at 900 lire.

Rec.No.6

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

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

V. Recommendations by Italian Government technicians as to plows, mowers and trailers. (Documents No. 8, 9, 13, 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. Consenzi 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 UNRA plows should be higher.

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

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

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

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

54. c) Trailers. MR. CLEVELAND, referring to Document No. 12 said that the recommended price was 30,000 lire if the trailers were used for agricultural purposes; he 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 after the establishment by the Inter-Ministerial Committee on Prices of the price for ammonium nitrates of national production.

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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.

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| 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 | |

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Price Office - Bur. R & D

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Attachment H-1-b

UNRRA Italian MissionCentral SecretariatPRICE 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. Leric	Asst't Chief, Sub-Bur. Relief Supply, Bur. R & D
R.B. Scriven	Coal Branch, Sub-Bur. Industrial Rehabilitation
V.B. Sullivan	Chief Analyst, Sub-Bur. Relief Supply, Bur. R & D
F. Verdine	Price Specialist, Bur. R & D
G. Cardani	Division of Agriculture, Bur. R & D
P. Contini	Special Asst't to Chief of Mission
G.M. Hopkins	Financial Adviser (Lire Fund) to C.F.A.
E.C. Benn	Health Division, Bureau of R.S.
G.M. Frizelle	Health Division, Bureau of A.S.
G. Lieggo	Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

L. D'Alessandro	Director General, Italian Delegation
G. Mansione	Italian Delegation
O. Garbioli	Ministry of Agriculture
A. Foglietti	Interministerial Committee on Prices
R. Festa-Campidile	Ministry of Agriculture
D. Miraglia	" " "
F. De Luca	" " "
F. Apicella	" " "
M. Penzenaro	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) antiseptic for electrodes and petroleum coke
- (d) veton seed
- (e) wheat

R. Cleveland Deputy Chief of Mission & Chief, Bureau of
 J. Iorio Asst't Chief, Sub-Bur. Relief Supply, Bur. R & D
 R.B. Scriven Coal Branch, Sub-Bur. Industrial Rehabilitation
 V.B. Sullivan 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 Asst't to Chief of Mission
 G.M. Hopkins Financial Adviser (Lira Fund) to C.F.A.
 E.C. Benn Health Division, Bureau of R.S.
 G.M. Frizelle Health Division, Bureau of U.S.
 G. Riegge Interpreter

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G. Manzoni	Italian Delegation
O. Garbioli	Ministry of Agriculture
A. Foglietti	Interministerial Committee on Prices
R. Festa-Campanile	Ministry of Agriculture
D. Miraglia	" "
F. De Luca	" "
F. Apicella	" "
M. Panzenaro	Ministry of Industry

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

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MINUTES OF THE FOURTH MEETING OF THE
PRICE COMMITTEE

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

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

II. Items for price fixing.

- a) penicillin (Documents No. 15 and 15 A, 16 and 16 A)
 - b) medical supplies
 - c) anthracite for electrodes and petroleum coke (Documents No. 17 and 17 A, 18 and 18 A)
 - d) vetch seed (Documents No. 19 and 19 A)
 - e) forage seed corn (out of the Agenda) (Documents No. 20 and 20 A)
 - f) wheat (Documents No. 21 and 21 A)
 - g) Penicillin (Documents No. 15 and 15 A, 16 and 16 A).
4. MR. CLEVELAND asked the High Commissioner for Health, MR. BERGAMI, to make a statement on this item.

5. MR. BERGAMI stated that penicillin is distributed under the control of the medical provincial authorities, "medici provinciali". Until now penicillin (imported under the 1945 program) has been allotted free or against payment, according to the financial situation of the consumer. Before fixing a price, he added, it should be decided whether free distribution to the needy will continue. If so, a price should be fixed, which would cover the cost of penicillin distributed free of charge.

6. MR. CLEVELAND asked what was in the past the proportion between the penicillin distributed free of charge and that sold.

7. MR. BERGAMI informed that this proportion varies from place to place, in some cases free distribution amounting to 90%, and in others as low as 10%. It would be necessary to determine the percentage of the future free distribution.

8. MR. CLEVELAND asked what percentage was suggested by the Italian Government.

9. MR. BERGAMI replied that he considered that approximately 25% was a reasonable percentage to be altered in three months time, if the

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)
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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. BELIN 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. BELIN agreed to the percentage of 25% to be distributed free, as suggested by MR. BERGAMI.
11. MR. CLEVELAND asked for MR. BERGAMI's opinion on having the 75% paying consumers charged also for the 25% non paying.

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

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

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

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

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

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

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

19. MR. PENN 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.

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- b) The price of the remaining 75% will be fixed to cover the landed cost plus distribution cost of the total amount imported by UNRRA.

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

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

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.

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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, Verdine

ITALIAN GOVERNMENT: Messrs. Moglietti, Solimena, Venzione, 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 prices might have to be fixed on the basis of the latter.

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

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

32. MR. BERSANI, referring to the supplies under discussion, wished to clarify that the prices under consideration apply only to the finished supplies, and that the point that under last year's plan the supplies

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

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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 UKRA imported supplies and the cost of domestic production, the price might have to be fixed on the basis of the latter.

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

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

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

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.

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

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

36. MR. BERGLUND 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 on a basis for future payments.

38. MR. FOGELSTADT 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. FORRANO 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. BERGLUND.

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

c) Antiracite for electrolysis and petroleum coke
(Documents No. 17 and 18, 18 and 18a.)

42. MR. CLEVELAND called on MR. SCHWEN who stated that the price of antiracite should be reviewed when information on the cost of the

of their inability to pay. In fact hospitals had refused supplies allocated to them, only because they could not meet the prices.

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39. MR. FORTINO 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. FORTINO.

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

c) Anthracite for electrification and metallurgical 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.

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

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

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having in mind the estimated price in October 1946, on the assumption that UNRA'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: UNRA: BUREAU R & D)

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

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

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

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

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

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

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

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

56. MR. CLEVELAND referring to the price of this commodity, pointed out that originally it was 50,000 lire per ton and asked the Committee if the proposed figure of 45,000 lire (the price of the domestic product) could be agreed upon.

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

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

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

59. MR. PESTRA CAMERINO 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. BOGLIETTI said that, although he considered excessive the landed cost (8 150), 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 marginal to the Lire Fund. (ACTION: BUREAU R & D)

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

63. MR. ROVERANO stated that the Italian Government fixed the current 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 UNEFA's assumption that the price of UNRA wheat would follow the Ammarsi price. The question of the eventual subsidy for the maintenance of the political price of bread will be taken up separately, he added.

65. MR. MALESSANDRO stated that he would ask the various administrations concerned to give their viewpoint on UNEFA's proposal. He said that he understood that UNEFA wished that the price of wheat imported by UNRA since the fixation of the Ammarsi price for the 1945/47 crop should be the same as that paid for wheat brought to the "Ammarsi".

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

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

67. MR. CLEVELAND called on MR. BULLA to report on this matter, who said

2500 lire per quintal, and noted that this price be made effective immediately in view of the urgent need of this seed.

cc. R. 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 differences between the distribution cost of this commodity and the normal to the lire fund. (ACTION: UNRRA: BUREAU R & D)

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

63. MR. WERFANO stated that the Italian Government fixed the Ammassi price at 2250/2500, but the price to the mills remained at 900 lire per quintal until 31st July 1946. The question of imported wheat was not considered.

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

65. MR. D'ALESSANDRO stated that he would ask the various administrations concerned to give their viewpoint on UNRRA's proposal. He said that he understated 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 concerning 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: flint, meadows, ploughs, reaper attachments, forage pea seed.

67. MR. CLEVELAND called on MR. BULLAN 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)

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

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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. PANZANAGO 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 UNRA supply already in the provinces be made at this price, subject to change after completion of the Government investigation on the matter, so as not to freeze the quantities already in the warehouses.

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

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78. MR. ROGGIETTI 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. ROGGIETTI 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.

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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 UREA nitrates should be confined to warehouses.

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

85. MR. CLEVELAND replied that there was no alternative for UREA 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)"

90. During the meeting, agreement was reached also on the following

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

85. MR. CLEVELAND replied that there was no alternative for UARPA 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)

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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)"

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

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

b) At MR. 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)

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190. The meeting adjourned at 1:10 p.m.

DISTRIBUTION:

All those present
Chief of Mission
Industrial Advisor
Legal Advisor
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. Asst to Col (2)
Conference Secretariat (2)
Registry (2)
American Embassy - Mr. Leigh Hunt

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OM 5375

Office Office - Bureau R & D
Spec. Asst to Com (2)
Conference Secretariat (2)
Registry (2)
American Embassy - Dr. Leigh Hunt

UNRA Italian Mission
Central Secretariat

PRICE COMMITTEE

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

PRESENT FOR UNRA:

H. Cleveland	Deputy Chief of Mission & Chief, Bureau R & D
J. Lurie	Asst't Chief, Sub-Bur. R. Supply - Bureau R & D
W. G. Peterson	Sub-Bureau of Supply Operations
V. E. Sullivan	Chief Analyst, Sub-Bur. R. Supply - Bureau R & D
F. Verdine	Price Specialist - Bureau R & D
G. Curiani	Division of Agriculture - Bureau R & D
H. H. Landsberg	Prog. Coord. & Stat. Div. - Bureau R & D
G. D'Alvella Valva	Sub-Bureau of Industrial Rehabilitation
P. Contini	Spec. Asst't to Chief of Mission
E. C. Berni	Health Division - Bureau R. S.
L. D. Orpen	Office of Fin. Adviser, Lire Fund, Bureau F & A
E. G. Lapenna	Bureau of P & A
G. Miegge	Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

L. D'Alessandro	Director General, Italian Delegation
G. Merziones	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	" "
H. Parumuro	Ministry of Industry
V. Marcolini	Ministry of the Treasury
A. Paffano	" "
A. Foglietti	Interministerial Committee on Prices
R. De Lieto Vollan	Ministry of Foreign Trade.

AGENDA

- I. Approval of Minutes of 4th Meeting.
- II. Report by Italian Government on steps to be taken to ensure application and enforcement of prices fixed by Committee. (Italian Government)

H.H. Landsterg
 G. D'Avola Velva
 P. Contini
 E.C. Bonn
 L.D. Orpen
 E.G. Lapenna
 G. Miegge

Pres. Coord. Stat. Div. - Bureau R & D
 Sub-bureau of Industrial Rehabilitation
 Spec. Ass't to Chief of Mission
 Health Division - Bureau E.S.
 Office of Fin. Adviser, Lare Fund, Bureau F & A
 Bureau of P & A
 Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

L. D'Alessandro Director General, Italian Delegation
 G. Merziane 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 " "
 H. Panzani Ministry of Industry
 V. Marcolini Ministry of the Treasury
 A. Poffano " "
 A. Peglietti 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
- IV. Report from Medical Sub-Committee on
 - a) penicillin
 - b) medicines

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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) competition selling
- 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.

- e) rice
- f) corn syrup
- g) cotton seed cake

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

- a) wheat binders
- b) reaper attachments

IX. Any other business.

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MINUTES OF THE FIFTH MEETING OF THE
PRICE COMMITTEE

I. Approval of minutes of 4th meeting.

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

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

4. After some discussion, it was agreed that:

- a) Price decision will be prepared in both languages, Italian and English. (ACTION: PRICE OFFICER, URRA)
 - b) Place of delivery will be indicated in the Price decisions. (ACTION: PRICE OFFICER, URRA)
 - c) Price decision will be communicated quickly by the Delegation to the Interministerial Committee on Prices and, for information, to other Italian Administrations concerned. (ACTION: ITALIAN GOVERNMENT)
 - d) It will be the function of the Interministerial Committee to decide which prices should be published in the "Official Gazette". (ACTION: ITALIAN GOVERNMENT)
5. It was then agreed that para. 6 of the "Statement of Procedural Principles" (Document No. 23 and 23 A)

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

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

and is suggested that approval of the next meeting.

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

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

4. After some discussion, it was agreed that:

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

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

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

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

(ACTION: SECRETARIAT)

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).

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.

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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 DR. BEHN to report recommendations of the Medical Sub-Committee on the price of Penicillin and medical supplies in general.

- a) Penicillin.

- a) Grain binders
- b) Mowers
- c) Plows
- d) Reaper attachments
- e) Forage pea seed
- f) Vetch seed
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13. MR. SULLAM agreed to this proposal, and indicated this would be handled in the full report to be presented later.

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

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

- a) Penicillin
- b) Medicines

15. MR. CLEVELAND asked DR. 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

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

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tendency to buy large 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 235 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. MORRIS 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. SOLIDINA and himself, that the proceeds of sale of medical supplies imported by UNRRA, should go to the Treasury and not to the Lire Fund, inasmuch as the Treasury had already allocated 5 billion lire for the 1945 program.

21. It was agreed that DR. 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:

b) Medical supplies.

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

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

22. MR. MARCOLLI 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.

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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.

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

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

31. MR. CLEVELAND asked for observations and comments.

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

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

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

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

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

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

VII. Items for price fixing:

assured that it would be necessary to build the steel system of trailers, to make them suitable for industrial use.

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

31. MR. CLEVELAND asked for observations and comments.

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

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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)

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.

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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 further details on the actual market situation in connection with colophony, rather than on costs.

48. MR. MARCOLINI stated that inasmuch as the technical name

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. 41. After some discussion, it was agreed that price for Sudan grass No.18 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.

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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.

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)

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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: URREA, 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 URREA and would need to be studied before action could be taken by the Committee. It was agreed that the price of Rubber be discussed at the next meeting (ACTION: SECRETARIAT)

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

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

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

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

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

Therefore two prices might be fixed, owing to the different

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 soiling, 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 soiling to a future meeting. This was agreed. (ACTION: SECRETARIAT)

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- 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.

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.

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62. MR. CLEVELAND suggested that the Committee approve a procedure whereby UNRA 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 UNRA, BUREAU R & D)

63. This proposal was agreed.

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

64. MR. CARLONI 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 UNRA.

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

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

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

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

- a) Wheat binders
- b) Reaper attachments

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

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- 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.

IX. Any other business.

7. POL Prices.

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

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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
Eur. R & D (2)
Eur. F & A (2)
Eur. R. S. (2)
Progr. Coord. - Sub-Eur. of Supply Operations
Price Office - Bureau P & D
Spec. Asst to C & N (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.

1. Next Meeting.

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

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 Spec. Asst to C o A (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.

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UNRRA Italian Mission
Central Secretariat

LIRE FUND CONTROL COMMITTEE

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

PRESENT FOR UNRRA:

Mr. Hodgetts
Mr. Hopkins
Mr. Travers
Mr. Contini
Mr. Sorieri
Mr. Penn
Mr. Prizelle
Mr. Miegge

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

PRESENT FOR ITALIAN GOVERNMENT:

Mr. D'Alessandro	Italian Government Delegation
Mr. Scheda	" "
Mr. Marcolini	Ministry of the Treasury
Mr. 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 445,000,000 to CASAS project. (UNRRA) (Document No. 7 and 7 A, 8 and 8 A)
4. Examination of expenditure of Lire 81,165,925 by the Italian Government Delegation for processing of cotton for the Ministry of Post-War Assistance Program. (Delegation) (Doc. N. 9&9A, 10&10A)
5. Progress report on charges by the Federazione Consorzi Agrari for UNRRA Camps and Welfare Programs. (Delegation)

Mr. Hopkins	Financial Adviser (Lire Fund) to C.F.A.
Mr. Frevers	Senior Finance Officer, Office of Fin. Adv.
Mr. Contini	Spec. Assistant to Chief of Mission
Mr. Sorieri	Deputy Chief of Mission & Chief, Bur. R.S.
Mr. Benn	Director of Division of Health
Mr. Prizelle	Division of Health
Mr. Kiege	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. Solimene	High Commissariat for P. Health & Hygiene
Mr. Ferrari	" " " " " "
	(only for meet. of 12 July)
Mr. Frangipane	Ministry for Post-War Assistance
Mr. Borgianni	ICE
Mr. Bongiovanni	ICE

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2. Plan for employment of Lire 1,500,000,000 for Health Program. (Delegation) (Document No. 6 and 6 A)
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4. Examination of expenditure of Lire 81,166,925 by the Italian Government Delegation for processing of cotton for the Ministry of Post-War Assistance Program. (Delegation) (Doc. N. 929A, 10 & 10A)
5. Progress report on charges by the Federazione Consorzi Agrari for UNRRA Camps and Welfare Programs. (Delegation)
6. Progress report on distribution cost of Federazione Consorzi Agrari for 1945 Program. (Delegation)
7. Progress report on bases of distribution costs of grain, flour 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.

URRA Italian Mission.

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

1. MR. HODGETTS opened the meeting, asking if there were any comments to be made regarding the Minutes of the previous meeting on 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. Sarracino". (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 Consorti 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 60% 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)
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. HODKINS." (ACTION: SECRETARIAT)

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(ACTION: SECRETARIAT)
3. MR. D'ALESSANDRO pointed out that in para 31, "Gen. Sarracino" should read "Mr. Sarracino". (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 Consorzio 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)
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. HODKINS." (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..."
(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

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

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

21. MR. SOLIMENA said that the re-employment plan showed the complete needs of the health program, which would total $3\frac{1}{2}$ billion Lire, while the $1\frac{1}{2}$ billion Lire represented the most urgent needs.

Some of the items were the subject of special

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.

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

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

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

21. MR. SOLIMENA said that the re-employment plan showed the complete needs of the health program, which would total $3\frac{1}{2}$ billion Lire, while the $1\frac{1}{2}$ 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 $18\frac{1}{2}$ million Lire for transport for provincial doctors. Of the 500 million, 100 million had been approved by the Joint Committee. The $18\frac{1}{2}$ million Lire had been recommended by the Lire Fund Control Committee to the President of the Delegation and the Chief of Mission for their joint approval.

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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, Dr. 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. KEERY 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 agreed to recommend to the two Chairmen that 1½ billion Lire be allocated to the High Commissariat for Public Health and Hygiene.

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.

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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 4½ billion Lire be allocated to the High Commissariat for Public Health and Hygiene for the execution of the Health Program, and that the procedure for the expenditure of that sum be decided by the Sub-Committee appointed earlier at the present meeting.

Rec.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

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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 Subcommittee. (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 these vehicles for which spare parts will not be included in the consignments of spare parts arriving from the U.S. in the next month.

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

39. MR. SORIERI proposed that there be agreement on the authorization of the total figure, dividing the items into two parts, roughly: first, what was urgently needed, and secondly what might be needed later. The items of absolute priority were (a) and (b) and 50% of

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

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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 expenditures of 5 million dollars had already been approved by the Joint Committee. Documents No. 7 and 7 A indicated that 2 614.868 would be saved by the use of Lire.
43. MR. HODGETTS gave a brief history of the CASAS plan, which had been placed before the Joint Committee for approval. The Joint Committee at its meeting of 8 March, 1946, had allocated the sum of 1 billion Lire to CASAS; and had immediately advanced 200 million Lire. The Joint Committee had also approved the allocation of up to 5 million dollars for the provision of transportation and other items which at the time could not be purchased in Lire in Italy.
44. Since that time, MR. HODGETTS continued, machinery had been established, through Army surplus agencies, whereby certain of this transport and equipment could be purchased in Lire, and with a view to allowing some of these 5 million dollars to be used for the purchase of other supplies, it was suggested by MR. SORIERI that as much Lire as possible should be used.
45. MR. HODGETTS pointed out that the Joint Committee had approved this program, and the expenditure of 1 billion Lire, and up to 5 million dollars, which were set aside for this purpose. Therefore the Lire Fund Control Committee could in no way criticize the former action of the Joint Committee, but could only carry out an amendment which would be to the advantage of Italy.
46. MR. MARCOLINI raised the point that the first plan had been to construct 7,380 rooms at a cost of 100,000 Lire each; then in the meeting on 8th March 1946, the Joint Committee had examined the total needs of this plan and agreed that the construction planned should be completed in six months. MR. MARCOLINI said that six months had elapsed now, and these 7,380 rooms had not all been built, but there were six months of administration costs to be considered.
47. MR. SORIERI pointed out that the Decree establishing CASAS had been issued in April, and CASAS had begun to operate officially on May 9th, 1946.

decree the Committee, as the Committee had already been approved by the Joint Committee. Document No. 7 and 7 A indicated that 2 614.868 would be saved by the use of Lire.

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

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

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

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

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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. RODGETTS 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.M.4

a) The Lire Fund Control Committee recommends that the sum of Lire 23,041,000 be allocated to the Delegation for the purchase of one Fiat car, 50 Jeeps and 50% of the spare parts (Items a), b) and 50% of 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 sympathizes with the desire to conserve dollars to the general benefit of the relief of Italy, and to spend, if necessary, further Lire for the purchase of other items mentioned in Documents No.1 and 7 A, up to L. 167,066,000.

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

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

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

58. MR. SORIERI recalled the agreement made some time ago, that of the 5 million metres of cotton cloth. 50% should be processed by the

Reg.N.4

52. It was then agreed that:

- 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 c) 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 sympathizes with the desire to conserve dollars to the general benefit of the relief of Italy, and to spend, if necessary, further Lire for the purchase of other items mentioned in Documents No.1 and 7 A, up to L. 167,066,000.
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.
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 cotton, although there had been no joint examination of the contracts, at which the Mission's experience in processing clothes and knowledge of suitable costs might have been useful. A superficial examination, in the short time available, seemed to indicate that prices

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were higher than the costs sustained by the Processing Section for the same kind of work, and for that reason, MR. SORIERI 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. SORIERI 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 BARNISTER, to MR. KELLY. Since no criticism of the plan had been offered, the Italian Delegation had been under the impression that the plan had been found adequate by UNRRA.

62. MR. FRAGAPANE said that there had been discussions between MR. NADZO, DR. FISHER, MR. HOLDER and himself, on the plan; he suggested that a Sub-Committee of experts should examine it in detail, after the Live 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. SORIERI 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.

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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. SCRIBNI 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 Brinini for the Delegation; Messrs. Fracapane and Totti for the Ministry of Post-War Assistance.

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

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

- (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;

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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. FRACAPANE would convene the meetings of the Sub-Committee.

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

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

VII. Progress report on bases of distribution costs of grain, flour and 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 47,167,458.50 Lire for February, 156,156,073.72 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)

V. Progress report on charges by the Federazione Consorzi Agrari for UMBRA Camps and welfare programs.

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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 sub-agency of ICE, MR. SCHEDA continued; coal was handled over directly to the Gruppi Regionali Commerciali Carboni Fossili (Regional Groups of Fossil Coal Traders), Associazione Generale Commercio Carboni Fossili (General Association for Trade of Fossil Coal) and to the

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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 for public utilities paid 2,600 per ton.

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

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

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

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

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

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

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

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

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

X. Imported wool.

88. MR. MARCOLINI reported that about 80,000 quintals of wool had arrived in Naples and Genoa, and the removal of this wool from the warehouses should be dealt with urgently. He therefore proposed

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X. Imported wool.

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89. MR. HODGETTS said this matter concerned the Bureau of R & D as well as the Bureau of F & A. MR. HODGINS 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)

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

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

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

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 UNTERA 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 CARBONAGLIA 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 64,499 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 be recommended as an advance, and that the complete documentation and checking will be done subsequently.

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

101. MR. HODGETTS asked whether the subsidy was proposed for a limited period, or to continue indefinitely.

102. MR. GALANO replied that the present agreement covered the period March to June only, after which period the costs of production, prices of imported coal, etc. were to be re-examined and new recommendations

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103. MR. HODGETTS said he assumed this matter would be dealt with in the Prices 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. KERRY accordingly.

108. The meeting rose at 10.50 a.m.

DISTRIBUTION:

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

Director, Office of Supply Operations

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

CM 6264

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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. Vertichione	Director of Displaced Persons Division, Bur. R.S.
Mr. Horwitz	Chief of Stenographs and Clothing Branch, Bur. R.S.
Mr. Contini	Special Ass't to C O M for Government Liaison
Mr. Miegge	Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

Mr. Zoppi	Ministry of Foreign Affairs
Mr. Martini	Ministry of Foreign Affairs
Mr. Pinto	" "
Mr. Frangipane	Ministry of Post War Assistance
Mr. Sorini	" "
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.

Mr. Sorlieri 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. Horvitz Chief of Standards and Clothing Branch, Bur. R.S.
 Mr. Contini Special Asst't to C o M for Government Liaison
 Mr. Miegge Interpreter

PRESENT FOR ITALIAN GOVERNMENT:

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

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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. MIERCE. 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 UNEP 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

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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.
 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) 368
 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-

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sibility concerning Italian Displaced Persons rested with the Ministry of Post War Assistance or the Ministry of Italian Africa. MR. FRACAPANE 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. HOFWITZ, and a representative of the Office of the Chief of Mission (MR. CONTINI). MR. SORIERI said that if special consultants were required, they would be called upon when necessary.

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

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

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

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

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

16. MR. SORIERI stressed that none of the aforementioned functions should supersede or interfere with the specific responsibilities of the Government or UNRRA as regards Displaced Persons, and proposed that an amendment be made to this effect. MR. SORIERI proposed that the Committee would have the functions of co-ordination and advice to the various agencies responsible for executing the programmes.

17. At MR. CONTINI's suggestion, it was agreed that the words "provided that the functions of this Committee do not supersede any of the direct responsibilities and functions of the Ministries concerned or the UNRRA Italian Mission" should be added to Para. 3 (a). There were no further

- 3 -

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

18. MR. CONTINI stated that a representative of the UNRRA Italian Mission would be responsible for the Secretariat; he will, in collaboration with a representative of the Delegation, call the meetings, issue the minutes and follow up the recommendations made by the Committee.

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

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

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

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

- a) United Nations nationals, who have evidence of their nationality, displaced as a result of the war and in financial need.
- b) Persons of neutral, ex-enemy or indeterminate nationality, displaced as a result of the war from their normal place of residence because of religion, racial or political persecution.

22. MISS MONTGOMERY continued, saying that evidence was required from these persons in determining the category to which they belonged stating, as an example, that UNRRA directives indicated that persons of United Nations nationality who had come to Italy since the cessation of hostilities were not eligible for UNRRA assistance, on the basis that they had not been displaced as a result of war. However, these persons who had been persecuted for religious, racial or political reasons, coming to Italy after the war would be eligible for UNRRA

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- a) United Nations nationals, who have evidence of their nationality, displaced as a result of the war and in financial need.
- b) Persons of neutral, ex-enemy or indeterminate nationality, displaced as a result of the war from their normal place of residence because of religion, racial or political persecution.

22. MISS MONTGOMERY continued, saying that evidence was required from these persons in determining the category to which they belonged stating, as an example, that UNRRA directives indicated that persons of United Nations nationality who had come to Italy since the cessation of hostilities were not eligible for UNRRA assistance, on the basis that they had not been displaced as a result of war. However, those persons who had been persecuted for religious, racial or political reasons, coming to Italy after the war would be eligible for UNRRA assistance.

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

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.

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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 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

ability 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, Cinetitta, Genoa, etc.

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" 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. SCRIBER 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. SCRIBER 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.

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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 War Assistance as regards the reception of these persons into Italy, and their assistance.

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

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

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

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

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

38. MR. VARRICHIONE stated that application must be made through the

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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.

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).

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

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

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

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

2. The following repatriations have been carried out:-

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

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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.

48. MR. FLORES said that the Italian Delegation would communicate with the Ministry of Italian Africa and invite them to appoint a

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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.

50. MR. SORIERI stated that they were considered refugees by the Ministry of Post-War Assistance and it was unlikely that they would be able to return to their former place of residence. He stated that Camps were being set up to accommodate them.

51. MR. SORIERI expressed his thanks to members for attending the meeting, saying that although it had been in the nature of a general discussion it had paved the way for other meetings where concrete problems would be discussed.

52. The meeting rose at 1 p.m.

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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)

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

DISPLACED PERSONS COMMITTEE
Document No. 1DISPLACED PERSONS COMMITTEETerms of Reference

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

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- 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.

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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.

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

Attachment H-1-

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
C. Hopkins
L. Travers
P. Contini
A.A. Sorieri
E.C. Benn
G.M. Frizelle
E.S. Lynch
H.H. Landsterg
G. Miegge

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

PRESENT FOR ITALIAN GOVERNMENT:

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

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

A G E N D A

1. Approval of minutes of previous meeting.
2. Advance of funds to High Commissioner for Public Health and Hygiene. (Delegation)
3. Request from Bureau of Relief Services for additional contribution from the Lire Fund to C&S&S 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,

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

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

PRESENT FOR ITALIAN GOVERNMENT:

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

AGENDA

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

CH 5886

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UTTRA Italian Mission

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

1. MR. HODGETTS opened the meeting, asking if there were any comments to be made regarding the Minutes of the previous meeting on 21st June.
2. MR. MARCOLINI raised objection to the implied criticism made regarding his non-attendance at the last meeting, saying that he had been engaged with the Allied Authorities and had formally requested that the meeting be postponed; he added that he would like to place the problem of wool on the Agenda of the next meeting, since this involved large sums of money.
3. MR. HODGETTS, replying to MR. MARCOLINI, said that he had not received his request to postpone the meeting, and MR. CONTINI stated that the question of wool would be placed on the Agenda for the next meeting. (ACTION: SECRETARIAT)
4. MR. D'ALESSANDRO stated that in view of the increasing number of Committee Meetings, it would be impossible for him to attend them all - he added that the members of the Italian Delegation represented on the Committee had the authority to make decisions. He stated that MR. DELLA NEGRA would be unable to remain on the Lire Fund Control Committee, and would be substituted by Engineer VALERIO 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 always been the custom of the Italian Government to supply transportation for Provincial Doctors, but this was not now possible - there-

2. MR. MARCOLINI raised objection to the implied criticism 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.

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

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(Documents No. 1 and 1..)

7. MR. SOLITENA 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. SOLITENA 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 UNRA'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.

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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. SOLDIERI 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. HENRI 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 C&S&S for transport.
(Document No. 2 and 2a)

12. MR. SOLDIERI referred to Document No. 2, concerning the purchase through UNRRA of transport for the C&S&S 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. SOLDIERI proposed that the purchase of transport should be made through the Lire Fund, in order to save dollar and sterling currency for the purpose of purchasing further supplies.

9. MR. SOLDIENKA 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. SERIENI referred to Document No. 2, concerning the purchase through UNITERA 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. SERIENI proposed that the purchase of transport should be made through the Lire Fund, in order to save dollar and sterling currency for the purpose of purchasing further supplies.

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

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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 CASS Committee and had limited the cost of the project to 1 billion lire. UREKA 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 CASS 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 CASS 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 CASS be postponed to a later meeting.

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private contractors. He objected to the proposal that it was too much at variance with the original project.

15. MR. HODGETTS agreed with this statement from the financial point of view, but added that a large number of vehicles had been turned over by the Allies to various departments of the Italian Government recently, and many of these were standing idle. He stated that 150,000 tires had also been handed over to the Italian Government, and suggested that the vehicles and tires should be provided for the C.A.S.A.S. 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 C.A.S.A.S. project could not be charged with the capital value of the vehicles. The amount involved, he continued, would be the depreciation of these vehicles over a period of six months, which would be between 1/6th and 1/4th of the total value.
18. MR. D'ALESSANDRO said that in view of the uncertainty concerning the future of lire currency, the cost of depreciation of the cars, tires, etc. was difficult to determine. He requested that a decision on the request for additional funds to C.A.S.A.S. be postponed to a later meeting.
19. MR. D'ALESSANDRO continued, stating that there was a difference in policy between the Lire Fund Control Committee and the Price Committee; these, he said, should work with the same aim in view -

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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. KOPKINS, 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 command themselves to prospective purchasers.

22. MR. D'ALESSANDRO said that in his previous remarks he had only intended to stress the close relationship between the two Committees. MR. HODGETTS replied that this point did not come within the scope of the present meeting, and requested that MR. D'ALESSANDRO should submit a memorandum stating his views on this subject.

23. MR. MARCOLINI said that so far in discussing the employment of funds the 1945 figures were referred to. Under the 1945 plan, continued MR. MARCOLINI, goods to the value of 4½ billion lire had been imported, and the Government had allocated a corresponding sum, whether the goods were sold or given away free of charge. All the 4½ billion lire had already been committed as follows:

{	1½ billion lire for the Health program
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the anti-malaria campaign.

and the policy to be followed was discussed with MR. LYNCH, 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 URRAs supplies had not been prompt in paying the money into the Lire Fund, and one of the functions of the Lire Fund Control Committee was to ensure that this money was paid in.

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Approximately	{	1½ billion lire for the Health program	
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			Total: about 1½ billion lire.

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The CASIS 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. HUGENYER 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. RUDGETTO then reverted to the subject of CASIS, asking MR. SORIERI whether postponement of the decision regarding the vehicles would interfere with the progress of the CASIS 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 CASIS 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 UGRAs Camps and Welfare programs. (Documents No. 3 and 3 A)

28. MR. DELLA MORA 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 UGRA 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 MORA said that there was a clear budget of the commitments for the Camps and Welfare programs, and it would be necessary to approve an allocation of funds so that the Federazione Consorzi Agrari would not continue to withdraw some funds without consultation.

though it was agreed

Control Committee, which had two specific functions:-

- a) To estimate the extent of the Live Fund,
- b) to pass recommendations for the employment of the money.

25. MR. HODGETTS then reverted to the subject of CAsAs, asking MR. SCRIEMI whether postponement of the decision regarding the vehicles would interfere with the progress of the CAsAs program. MR. SCRIEMI 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. MARCOLLI 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 Consorti Agrari regarding foolstuffs for Uffizi 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 Live 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 Uffizi 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 contributions for the Camps and Welfare programs, and it would be necessary to approve an allocation of funds so that the Federazione Consorti Agrari would not continue to withdraw some funds without consultation.

29. MR. DELLA NEGRA continued, saying that although it was agreed that these purchases were essential, no funds were granted for the purpose, and it had been the practice of the Federazione to buy

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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 UNERRA 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 UNERRA 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: UNERRA & DELEGATION)

V. Report on the indebtedness of UNERRA and Delegation to the Federazione Consorzi Agrari for distribution costs under the 1945 program. (Documents No. 4 and 4 A)

33. MR. DELLA NEGRA referred to Document No. 4 regarding the work of the Sub-Committee up to 21st June. The work, he said, continued to 24th June and the minutes had been distributed. It was not possible, said MR. DELLA NEGRA, to check all the figures because not all the documents were in Rome, but the Sub-Committee had decided to make the following recommendations:

- a) The Federazione Consorzi Agrari should submit a complete list of the expenses incurred for the 1945 program up to 1st August,
- b) the Treasury should be responsible for checking this list,
- c) the Federazione Consorzi Agrari should receive an advance amounting to 80% of the sum which will be indicated by the Federazione.

MR. DELLA NEGRA continued, suggesting that the minutes of the meeting of the Sub-Committee should be examined, and a decision made at the next meeting of the 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. MARCO-

except the facts as stated on the Balance Sheet.

31. It was agreed that a sub-committee be formed, the UNRAA representatives being Mr. Hopkins, Mr. Travers, Col. Imrie and Mr. Landsberg, and for the Italian Government Eng. Sceda, Mr. Della Negra and Gen. Sarracino.

32. It was agreed that a Progress Report would be submitted to the next meeting of this Committee. (ACTION: UNRAA & DELEGATION)

7. Report on the indebtedness of UNRAA and Delegation to the Federazioni 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 Federazioni.

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. MARCO-LENTI stated that no custom duties had been charged on the goods brought in under the 1945 plan. MR. HODGETTS said there was the question of transportation charges, and the proposal should be made without prejudice to these. He enquired when it was proposed that

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this advance be made.

35. MR. MARCONI 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.

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It was agreed that an advance would be granted of 80% of the sum to be indicated by the Federazione for the expenses incurred up to 31st August 1946 in connection with the 1945 program. (ACTION: DELEGATION)

37. MR. HOPKINS stated that after 31st August the Federazione had agreed to try and submit their accounts within two months of expenditure, so that the final accounting should be not later than two months after 31st December this year. MR. DELLA NEGRA corroborated this statement, saying that the final accounting for 1946 would be made in February 1947.

VI. Statement on the bases of distribution costs of grain, flour, coffee, as calculated by the Federazione Consorzi Agrari.
(Documents No. 5 and 5 A)

38. MR. DELLA NEGRA stated that the list submitted by the Federazione was an analysis item by item, but in the case of transportation costs the evaluations may prove to be higher or lower than those stated. Before approval, he continued, the figures would have to be examined by UNRRA, the Delegation and ICE, separately. He enquired whether the Lire Fund Control Committee was the competent authority to approve these costs, or whether the matter should be referred to the Price Committee.

39. MR. HOLGERTS 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. HOLGERTS continued, saying that UNRRA wished to refer these figures to their technical experts for examination, and asked that this item be transferred to the Agenda of the next and subsequent meetings. This was agreed. (ACTION: SECRETARIAT)

40. It was agreed that items 7, 8 & 9 should also be transferred to the Agenda for the next meeting, and that in future the agenda should contain fewer items.

Rec. 5.2 It was agreed that an estimate of 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 Federazioni 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, coffee, as calculated by the Federazioni Consorzi Agrari.
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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.

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OM 5986

II. 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 had reflected a depression of public opinion resulting from the publication of the economic clauses in the draft of the Peace Treaty. The previous hope of a speeding up of economic rehabilitation in Italy by further assistance from the United Nations has been replaced by a feeling of considerable uncertainty regarding the future. This uncertainty results in hand to mouth remedies and stands in the way of the adoption of long term policies. Direction and a dynamic approach to the restoration of the country's economy will be lacking until the international situation is clearer.

2. Nevertheless, an advance can be recorded in July 1946, in four directions, and this has, to some extent, eased the general tension:

- (a) the working out, in agreement with UNRRA, of the economic plans for the 1946-47 financial year;
- (b) a closer definition of the economic and financial program generally agreed upon by the political parties in the Government. This has removed, for a time, the fear of an acceleration of inflation and of the adoption of a large scale plan of nationalization of industry;
- (c) the prospect of larger imports of coal and raw materials during the second half of 1946;
- (d) greater confidence in an international understanding of Italy's problems, which has resulted from the visit and statements made by Mr. 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) which the Government had decided should be paid to the unemployed, soldiers and war veterans and to all employed labor (although on this point there was some disagreement over the "premium").

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- (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) which the Government had decided should be paid to the unemployed, soldiers and war veterans and to all employed labor (although on this point no agreement was reached with the employers, who are to pay the "premium").

UNFAVORABLE FACTORS.

5. The factors that affected the Italian economic situation unfavorably in July, 1946, were:

- (a) the economic clauses in the draft of the Peace Treaty, which have been regarded as so harsh as to postpone Italy's economic recovery for many decades and to reduce the country to a state of inferiority and misery. It has been felt that lack of consideration has been given to Italy in the draft proposals in regard to:

(1) heavy burden of reparations payments,

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(41) threatened loss of capital invested in the national territories, (called and to be ceded to France and Yugoslavia) in the Colonies and in foreign countries,

(42) lack of compensation for the gold taken by the Germans; for the severe war destruction; for the enormous and destruction suffered since October 1945, in the joint war against Germany; and for the heavy outlay during the occupation by Allied forces;

(b) the absence of any definite statement regarding a loan from the United States;

(c) Labor's demand for increases in wages notwithstanding the decision of the Government to pay the workers the "premium of the Republic" and the retention of the ban on dismissals of workers by employers in industry (which was to have been removed at the end of July).

These demands, coupled with the uncertainty of the nature, the amount and the time of levying of the extraordinary property tax (which is included in the economic program of the new Government) have postponed further the plans for industrial rehabilitation and reorganization. Thus, costs of production remain high and the liquid assets of industries are drying up. Some of these industries have had to receive Government assistance;

(d) the difficulties slowing up recovery of the French franc.

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 elements likely to change substantially the general economic trend from those of short term significance only.

7. On the one hand there are facts and considerations which may justify any hypothesis of less confidence in the line and of inflationary possibilities. Examples of these are the increasing rates of foreign currencies and gold on the free market; an increase in the price of stocks, in which there have been fairly heavy investments, also to be explained by the revaluation of assets by the companies; the increase in the circulation by 9,000 million lire during June (with a simultaneous decrease of 3,700 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 the Treasury Secretary's

the Republic and the retention of the position of dismissal 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 arising up every day in the course of the

ELEMENTS OF UNCERTAINTY 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 2,700 million lire in the credit of the Treasury current account with the Bank of Italy); the urge to increase nominal wages without a corresponding increase in productivity; the large State outlays to prevent increased bread prices and to pay for the "premium of the Republic"; the increase in State subsidies for public works; the large deficit in the Government budget without any substantial increase of revenue in sight. On the other hand there must be taken into account the relative stability of retail and wholesale prices; an increase of current deposits with banks; and the statements of the Treasury Secretary against resorting to new issues of paper currency, and on the possibilities of meeting cash requirements even if the financial market persists in preferring investments in private securities. The circulation increase equal to 2.3 % from May to June 1946, can, on the other hand, be related to simple seasonal elements and to normal Treasury operations.

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

FAVORABLE TESTIMONY.

9. Among the more favorable factors are the following:

(a) the item statement in the Treasury Secretary on

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- (1) the decision not to increase currency circulation,
 - (ii) certainty of meeting cash requirements with short-term Treasury Bonds,
 - (iii) funding of the floating debt,
 - (iv) the reaffirmation not to resort to currency conversion for fiscal purposes,
 - (v) the possibility that in the next financial year the ordinary budget will be balanced.
- (b) good agricultural crops and substantial remission of wheat. By the 29 July 1946, 1,140,000 tons of wheat had been raised, which as at 31 July compares favorably with 370,000 metric tons in 1945;
- (c) the improved availability of rationed foods and vegetables and fruit at not excessive prices, thus giving the workers more food within their purchasing power;
- (d) larger coal imports;
- (e) an expansion in bank credits to private enterprises (at the same time there is an increase in discounts on bank bills and advances by the Bank of Italy) and an increase in deposits with banks;
- (f) improved production and movement of goods.

CONCLUSION.

10. In July 1946, Italian political and economic thinking has been disturbed by the terms of the Peace Treaty, though there is still a hope that the final decisions to be given by the United Nations will provide opportunities for rehabilitation of the country within a reasonable period. In the meantime, Italy's economic life drags along with no certain hope of an improved situation in the near future.

J. H. CORVIN.
DIRECTOR DIVISION OF
OPERATIONS ANALYSIS.

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

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Attachment II-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 24-26 July.
2. The Information Division had special responsibilities in regard to many important functions 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 EIO and HQ. The work of these regional information officers should steadily increase. Their function in contacting and servicing the local press is vitally important.
8. UNRRA's exhibit in the Rome Fair has been prepared with great difficulty and expenditure of time in order to make this a convincing portrayal of UNRRA activities in Italy. Fuller details of this exhibit are given in paragraphs 41, 42 and 43.

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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 Artiges - Agence France Presse;
 Mr. Robert Conway - NY Daily News;
 Mr. W. S. Courtney - Collier's;
 Mr. Robert Low - Time;
 Mr. Christopher Lumby - London Times;
 Mr. Riccardo Luzzatto - Reynolds News;
 Miss Vivian Mason - free-lance correspondent;
 Capt. Morang - MM;
 Mr. R. Pictet - Life photographer;
 Mr. John McNight - Associated Press;
 Mr. S. Sydney Smith - London Daily Express;
 Mr. John Talbot - Reuters.

Local Press:

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

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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. Berca - Unita';
 Sig. Renzo Barbera - L'Anno;
 Sig. Aldo Bruti - Il Monarto;
 Dr. Renato Camiglia - La Nuova Stampa - Turin;
 Dr. Corotio - Il Corriere della Sera - Milan;
 Dr. A. Pocarillo - Il Globo;
 Dr. Gacaso - Agenzia Finanziaria Internazionale;
 Sig. Galimberti - L'Indipendente;
 Sig. P. Ciampoli - Il Minuto;
 Sig. P. Grimaldi - Sidi newagency;
 Sig. V. Giordano - Il Progresso;
 Sig. Francesco Iacono - L'Orbis;
 Sig. Aldo Minestrini - L'Orbis;
 Sig. G. Marelli - Avanti;
 Sig. P. Puccio - Il Quotidiano;
 Sig. Meyer - Peter Nachrichten;
 Mr. Jack Egan - Rome Daily American;
 Mr. John MacMillan - 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. Mohr - Daily Telegraph;
 Mr. Michael Stern - Parvost Publications;
 Mr. Michael Stewart - British Embassy Press Attache;
 Mr. P. O'Brien - Associated Press;
 Mr. E. McGurn - Herald Tribune (NY);
 Representative of the US Embassy press office;
 Miss Elizabeth McKenna - New Statesman;

Sig. Aldo Eruti - Il Momento;
 Dr. Renato Coniglia - La Nuova Stampa - Turin;
 Dr. Corsetto - Il Corriere della Sera - Milan;
 Dr. A. Piccirilli - Il Globo;
 Dr. Gaudio - Agenzia Finanziaria Internazionale;
 Sig. Galimberti - L'Indipendente;
 Sig. F. Giampoli - Il Minuto;
 Sig. F. Grimaldi - SIDI newagency;
 Sig. V. Giordano - Il Progresso;
 Sig. Francesco Leone - L'Orbis;
 Sig. Aldo Minestrini - L'Orbis;
 Sig. G. Moreni - Avanti;
 Sig. P. Puccio - Il Quotidiano;
 Sig. Mayer - Dator Nachrichten;
 Mr. Jack Begon - Rome Daily American;
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 Mr. Michael Stern - Prewett Publications;
 Mr. Michael Stewart - British Embassy Press Attache;
 Mr. F. O'Brien - Associated Press;
 Mr. E. McGinn - Herald Tribune (NY);
 Representative of the US Embassy Press office;
 Miss Elizabeth McKenzie - New Statesman;
 Miss E. Bergh - Handels Tidningen;
 Mrs. Pierre Artigis - Agence France Press;
 Mr. Seymour Korman - Chicago Tribune;
 Mr. R. Hadfield - The Times;
 Mr. S. Sydney Smith - Daily Express;
 Mr. J. Teilbot - Reuters;
 Mr. A. Corbin - NY Times.

Local:

Sig. D. De Ruggieris - Tribuna del Popolo;
 Sig. C. Galvo - Il Messaggero;
 Sig. P. Alatri - Italia Libera;
 Sig. A. Aladini - Italia Libera;
 Sig. F. Idari - Giornale d'Italia;
 Sig. G. Puccio - Orbis;
 Signa M. Frati - SIDI;
 Sig. A. Faro - Espresso;
 Signa Laura Angelini - Capitale;

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Sig. Inghra - Patria;
 Sig. Renato Pontori - Tribuna;
 Sig. U. Bersotti - Il Sole;
 Sig. Luciano Berro - Unita;
 Sig. L. Piccioni - RAI;
 Sig. E. Luatello - Osservatore Romano;
 Sig. P. Lamo - Quotidiano;
 Sig. Spivieri - Indipendente;
 Mr. D. A. Healy - Rome Daily American;
 Mr. John Mechlin - Rome Daily American.

RADIO:

14. On July 15 a radio talk in Italian over Radio Roma was given by the Chief of Mission on the increase of the bread ration and UNRRA's efforts to obtain the full allotment of one million tons of grain for shipment to Italy during the second half of 1946. Mr. Keeny stated that there are only two ways for Italy to obtain more grain - by amassing more of her own harvest and by securing more from the International Emergency Food Council. The more Italy can rely on her home production the less it will have to spend abroad on essential food. This was the third of a series of radio talks in Italian by Mr. Keeny.

15. On 24 July the Director General gave his weekly American broadcast from Rome. A translation of his talk was distributed to the Italian Press.

16. On 25 July the Director General broadcast over Rome radio to the Italian people. Copy of text is attached.

FILMS:

17. A preview of a news film showing the use of Camexine in Sar-
 dinia was given. Present were representatives of the Ministry of Agriculture and members of the UNRRA Italian Mission.

18. Various films were taken by Lucas, 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, "Hurricane" and "Casino".

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

RELEASES:

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FILMS.

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18. Various films were taken by Luce, MCK and others of the Director General's visit to Italy.

19. Some 50 officials of the UNRRA Italian Mission were shown the Luce films, "Humanity" and "Cassino".

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

RELEASES:

"Economic Notes" and "Note Economico":

21. The demand for "Note Economico" (Italian) is increasing throughout the country, with increased demand also for "Economic Notes" in English. The total distribution of these important publications, as of Issue No. 29 of 1 August, is English 2129 and Italian, 7236. It is recalled that when Economic Notes was first taken over by UNRRA Italian Mission from the Allied Commission on 15 February 1946, the first printing order was 1,200 English and 2,300 Italian.

22. Numerous ~~brochures~~ 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 ~~10:5~~ 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 Reports

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in June; Begun UNRRA agents;
 July 19 - Issue No. 27 - UNRRA and New Bread Ration; Progress of
 UNRRA Welfare; Commodity Prices Confirmed;
 July 26 - Issue No. 28 - Mr. LaGuardia on Problems of 1946; Fuel
 for Fishing Craft; Better Coal Supplies;
 Wheat Harvesting Progress; Movement of Ships.

23. Two portions of the Economic Survey have been distributed as
 supplements to our weekly Economic Notes, the facilities for distri-
 bution being afforded by the Information Division without any respon-
 sibility as to content.

24. The Daily Press Digest has been distributed daily throughout
 the UNRRA Rome Office and dispatched to Regional Offices in Italy.

25. Weekly Bulletin Nos. 23, 24, 25, 26 and 27 have been distri-
 buted to the UNRRA Italian Mission staff.

26. Releases issued by the Information Office on the visit of the
 Director General, the Bread Ration and the Rehabilitation Program
 have been widely publicized by the Italian press. The following
 releases have been distributed:

a) Releases to US, UK, and Italy:

26 July	- LaGuardia Visits Sciucola 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 Increasing;
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 Gardiner Coal-miners;
3 "	- UNRRA Cattle Arrive in Italy.

b) Italy only:

24 July	- LaGuardia Weekly Broadcast to the US;
24 "	- LaGuardia at the Vatican;

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24 " - Biographical on Fiorello LaGuardia;
24 " - Director General's Party;
24 " - UNRRA Shipments to Yugoslavia;
24 " - LaGuardia's Visit to Shoe Workshop;
22 " - Announcement LaGuardia Press Conference;
20 " - Indian Tribes Help UNRRA;
17 " - Italian Harvest and Prospects for Lammings;
16 " - Radio Talk by UNRRA Chief of Mission;
12 " - Chief of Mission's Statement on Bread Nation;
11 " - Roundup on Supplies Arriving in June;
10 " - Italian Ship Home with Argentine Grain;
4 " - UNRRA's Industrial Rehabilitation Program in Italy;
4 " - UNRRA Shoes for Sardinian Coal-Miners;
3 " - UNRRA Cattle Arrive in Italy.

b) Italy only:

24 July - LaGuardia Weekly Broadcast to the US;
24 " - LaGuardia at the Vatican;

c) In English only:

24 July - Summary of LaGuardia Press Conference;

d) To US and UK only:

30 July - Argentine grain arrives in Italy (for South American press.)

PHOTOGRAPHS:

27. A series of especially heavy demands this month taxed the resources of the photographic section severely and affected the quantity of pictures available for distribution for the press. The total number of enlargements distributed, however, far exceeds any previously recorded monthly figure. Pictures were supplied as follows during the month of July:

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Washington, ERO and press	475
UNRRA Divisions for illustrating reports	77
Director General (details of visit to Rome)	70
Regions for display and issue to local press	333
Display for Conference Room, Rome HQ	96
UNRRA Exhibit in Rome "Mostra" - murals, montages and display	109
Selected series 12" x 102 enlargements for display at Geneva Conference	101
Total	1261

FIELD TRIPS AND TOURS:

28. Mr. Hitchcock, Mr. Berry and Mr. Plotz of LIFE, went to Naples on 1 July for the purpose of covering the arrival of the shipment of 207 cattle for SS "Cyrus Field", and specifically to take photographs of the arrival of the LIFE cow "Connie" covered by the LIFE photographer.
29. On Monday 15 July Mr. Berry, Miss Guglielmo and Dr. R. E. Scott, Veterinarian of the Agricultural Rehabilitation Division, visited the town of San Pietro Infine to attend the ceremony of the handing over of the LIFE cow to the family receiving her. Messrs. Marcello, McGweeny, Plotz and Ebersole took part in the proceedings.
30. Miss Guglielmo and Mr. Western took Mr. W. B. Courtney of Cellier'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. Soria also visited Genoa to take pictures of the port for Mr. Courtney's use in connection with his stories on UNRRA.
32. During the course of his brief stay in Rome, members of the Division accompanied the Director General over the UNRRA shoe-producing factory in the World's Fair Exhibition buildings, the bomb-damaged school of the Suora Faverello di Bergamo and the Italian and non-Italian displaced persons camps at Cinecitta. They also visited Cisterna, where plans of the new houses to be built under the U.S.S housing program were examined and the Director General saw houses built last year with UNRRA assistance under the experimental program.
33. On Tuesday 23 July the Director General was officially welcomed at the Campidoglio by the Sindaco of Rome, Prince Doria Pamphili. Immediately afterwards he attended a gathering of

Naples on 1 July for the purpose of covering the arrival of the shipment of 307 cattle per SS "Dyrus Field", and specifically to take photographs of the arrival of the LIFE cow "Connie" covered by the LIFE photographer.

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33. On Tuesday 23 July the Director General was officially welcomed at the Campidoglio by the Sindaco of Rome, Prince Dorie Pamphili. Immediately afterwards he attended a gathering of 2,000 children from UNRRA-aided schools in Rome.

34. Also on 23 July the Director General, on the invitation of the Constituent Assembly addressed a representative gathering of deputies in the Sala della Lupa at the Montecitorio Palace.

35. On the following day he flew to Milan where he inspected industrial works operating on supplies provided by UNRRA, returning the same evening for a performance of LIDA 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.

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

38. Mrs. O'Brien visited Lenuvia, 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. E. 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 L'Aversa of groups of the 400 Chinese refugees awaiting shipment from Naples to their homeland. At L'Aversa photographs were also made of the reconstruction of ruined houses with UNRRA materials.

DISTINGUISHED VISITORS:

40. a) Mr. Fiorenzo M. LaGuardia, Director General of UNRRA.

Director General's party:

Commander Jackson - Robert Gillman Allon Jackson, CMC, OBE, the Senior Deputy Director General of UNRRA.

Mr. Nikolai Fuenov - 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 A. 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 Severin - Public Information Officer, UNRRA Headquarters, Washington.

Mr. A. Ornstein - Aide to Director General UNRRA.

Mr. Eric LaGuardia - Son of the Director General.

Mr. Leon Fuenov - Secretary to Mr. Nikolai Fuenov.

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. E. Courtney - Collier's
- e) Mr. Norman Corwin - Winner of Wendell Wilkie Award.

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Commander Jackson - Robert Gillman Allen Jackson, CMC, 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 Secre-
tary of State, USA, US Looting 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. Causton - Assistant to the Director General UNRRA.

Mr. Joseph Lilly - Director Public Information Division, UNRRA
Headquarters, Washington.

Mr. Adjutor Savard - Public Information Officer, UNRRA Head-
quarters, Washington.

Mr. A. Ornstein - Aide to Director General UNRRA.

Mr. Eric LaGuardia-Son of the Director General.

Mr. Leon Feonov - Secretary to Mr. Nikolai Feonov.

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GENERAL:

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

44. UNRRA Italian Mission is participating in the Mostra dello
Attività Romane, the first exhibition of its kind to be held in
Rome since the war. The management of the Mostra offered UNRRA a
pavilion which will house a specially prepared exhibit of the Italian
Mission.

42. During July members of the Division have prepared the basic
plan for the UNRRA participation in the Mostra to explain the UNRRA
program to the Italian public -- including writing the basic text and
planning the exhibit layout; securing designers and artists; making
arrangements to get from UNRRA, from the Government and from private

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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 Westcott 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 photographic poster explaining the UNRRA Program have been made.

Ration-card statement:

46. Further discussions have been held with the Italian Delegation representatives on the inclusion of an UNRRA text on the final quarter Italian ration-cards.

STAFF:

47. The Director of Information in UNRRA, Italian Mission, Mr. Brian Ashford Russell, returned 11 July from a trip to London where he discussed problems connected with the Division at the ERO.

48. The following personnel have been taken on temporarily as Assistant Public Relations officers for duty as attendants at the UNRRA Pavilion in the Mostra delle Attività Romane:-

Miss A. Valenti;
Sig. Leonardo Labia;
Sig. Vittorio Poletti;
Signa. L. degli Uberti.

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

Class I:

B. Ashford Russell - Director of Information;
E. B. Hitchcock - Deputy Director;

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.

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Miss A. Valdoni;
Sig. Leonardo Labia;
Sig. Vittorio Poletti;
Sign. L. degli Uberti.

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

Class I:

B. Ashford Russell - Director of Information;
E. B. Hitchcock - Deputy Director;
R. S. B. Chomley - Writer;
John Western - Writer;
Raoul Berry - Observer-Photographer;
R. Guglielmo - Public Relations Officer;
Julia Girani - Secretary;
R. Boria - Photographer;
Mary Runnott - Secretary;
Mita Mack - Secretary;
Joyce Chumley - Secretary.

Class II:

E. Canali - Writer;
C. Canagna - Writer-translator;
C. Ruggeri-Laderchi - Writer-translator;
L. Romagnoli - Photographer;
L. Di Giorgio - Photo Lab. Assistant;
N. Zura - Photo Lab. Assistant;
Jacqueline Stewart - Public Relations Assistant;

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Irma Hiltm - Secretary;
Marisa Poupai - Secretary;
Pelicia Jureiro - Typist;
Margherita Francolini - Typist.

B. ASHARD RUSSELL
DIRECTOR OF INFORMATION.

Attachment H-3-e.
UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION
ITALIAN MISSION

Issued by: DIVISION OF PUBLIC INFORMATION

FOR IMMEDIATE RELEASE

24 July, 1946

MR. LA GUARDIA'S PRESS CONFERENCE

At a Press Conference held at the Italy Mission's Headquarters in Rome to-day (24 July), the Director General of UNRRA, Mr. Fiorello LaGuardia, speaking in Italian, said:

"The food situation in Italy is no different from that of other countries. The better to understand it, one must take the world food situation into consideration. There is not enough food in the world fully to meet the needs of all nations, including my own. I do not mean that the situation is dangerous; I merely mean that we all must base our plans on this situation and be ready to make some sacrifices. Allotments are made without favour with the one object of being fair to all.

"Whoever says that those who are first on the market get all they want, or that those who pay higher prices get more does not tell the truth. Such things appear in some of the yellow Press in my own country, or in some misinformed papers in other countries.

"Let me explain. During the war, there was the Combined Food Board representative of Great Britain, the United States and Canada to control food supplies. After the war it continued to function, and UNRRA, as well as the various Nations had to make their applications for food allotments to this Committee. But, as the emergency situation has continued throughout the world, an International Food Council has now been created. Twenty-one nations belong to the International Council, Italy included. There is a Central Committee, and all nations, including my own, submit their food requirement to this international body.

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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 UFR for Italy will bring in food costing nothing to the Government. After December 31st allotments will continue but the goods will be paid for - and this will make a great difference in the cost.

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"Each nation's trade balance has to be scrutinized to ascertain what food responsibilities 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 Legislature authorizes 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 upon 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 of great help to Italy."

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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.

CR 6355 PI

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"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 year during twenty years and after twenty years the people hanged him by the foot. As to the question of the rate of milling, my advice is, better have black bread than sour bread. There is not enough grain in the whole world to meet the 1947 need. According to present estimates it is not possible to say whether Italy will be able to keep to the present milling rate. Italy's situation mostly depends on what Italy will be able to do with her export goods, such as fruits and many other articles. It depends on the political situation in Europe and the world and on the peace treaty. One cannot make an estimate now. The facts, however, remain that even if exports will be possible there will be a deficit in 1947. Should there be no possibility of exporting, this would be a calamity - for it is vital for this poor Italy to know whether or not it will have to pay reparations and what exchanges of goods are to take place between European and non-European nations.

"Italy's destiny is in the hands of its people. The situation requires full co-operation, much patience - and work.

"Every nation has economic difficulties, we have them ourselves. Our country has the biggest national debt it has ever had. It does not believe that any other nation in history has ever had a debt of 222 billion dollars, and.... this also - isn't big. 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

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M 6335 PI

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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 wine go to restaurants where the black market is carried on, and most of the wine 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?

D.G. That fund is earmarked for specific purposes, health, education.

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- 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. Keary as soon as he has figures for any definite period to make those public.

OM 6335 PI

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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 these funds. I really think some of them could go to housing under the general welfare clause.

Q. While we are on newspapers. Do you think the current events 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 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 sections 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 broad action 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 snap all at once.

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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 'sneak' all at once.

Q. Would you say that Italy is acting realistically in cutting 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.

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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.A. 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 bolt on your neck or it may get right into your bloodstream, and I am a firm believer that there should be very drastic action taken to curb it, including our own country. That is why I am so forceful in getting a continuation of O.P.A. in our country, but let's not start controversy here in Rome where it can't do much good.

Q. Do you think that Italians in North and South America could send more things more than just goods?

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Q. Do you think that Italians in north and south America could send something more than just petrol?

D.G. No, because all that is taken into consideration when making the shares. For example, if somebody sends twenty tons of grain that must be considered in arranging world distribution.

OK 6335 PI

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

D.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.

timber

D.G. Let us admit that only ~~timber~~ is required. This is as scarce as ~~timber~~ in Africa. Labour is scarce and so is transport. The same thing happens in New York. I criticized it at home and I criticize it here. I don't like that sort of thing and when I don't like something I say so.

Q. Regarding such materials that cannot be imported from the American market such as synthetic rubber, will URECA 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 URECA subscription countries who continue subscriptions to URECA? I mean, will you or URECA or the U.S. make a move to have further legislation passed in congress to continue URECA?

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 - let's 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.

Comm. Jackson - It is a vital one.

D.G. Let us admit that only rubber is required. This is as scarce as blonches in Africa. Labour is scarce and so is transport. The same thing happens in New York. I criticized it at home and I criticize it here. I don't like that sort of thing and when I don't like something I say so.

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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.

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D.G. Do you mean a direct loan?

Q. Yes.

D.G. I haven't heard anything about that. I think they are negotiating a bank 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 200,000,000 I think.

D.G. Dollars?

Q. Yes, and a while ago it was cut to 400,000,000 by the budget bureau.

D.G. A direct loan?

Q. Yes.

D.G. That should be very helpful, I should think, if the interest rate is low. Speaking of loans, I should like to add this: the International bank for reconstruction may be a very helpful institution and do a great deal of good. But the interest rate is still too high. The system of securing foreign loans is not a good system; it amounts to setting up an international loan 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?

D.G. I don't know. It is getting a good share, but there is no limit to

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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 program ends?

D.G. Yes, I do.
OW 5335 PI

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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. Every 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 small, made by yourself during the propaganda talks over the radio during the war and I wonder if you can say anything in explanation or clarification?

D.G. I wish I could; they are 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:R

END

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EC:MR

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Attachment B-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, Pirello 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 funds on 31 December 1946, but unfortunately needs will not end then. Nothing is known yet as to what will be done, but it is certain that Italy needs aid and succour.

" I am very pleased to see the co-operation of the Italian Government in the delivery of grain to the masses. 1,250,000 tons of grain have been delivered to the masses by the peasants up to date. This is very satisfactory and I may add that it has made a considerable impression in the United States. But there is still much to be done, there is still 50 per cent of the grain to be delivered, particularly because Sicily, Piedmont and Lombardy show figures which are somewhat disappointing.

" I appeal to the peasants and I ask them to bring their wheat to the masses. They must think of the importance of their action in the

"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.

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" I appeal to the peasants and I ask them to bring their wheat to the masses. They must think of the importance of their action in the eyes of other nations and especially of America and other countries which send grain to Italy. How can these countries be prepared to supply if they see Italian grain escape the masses? There is not enough grain in the world for 1946-1947 to meet all requirements, and therefore I appeal to everyone of you and ask you to co-operate for the good of your country.

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" At Milan, today, I talked to many workers and peasants and, judging from the questions I was asked, I think it is my duty to explain to you how UNRRA is functioning:

" UNRRA delivers all its supplies to the Italian Government free of charge, then the Government sells UNRRA supplies, but the proceeds of such sales go to a special fund. It is not UNRRA that takes this money. It is all for you, for the Italian people. I say, you, because the Italian people is the Government. This special fund can only be touched to finance welfare and essential services for the people.

" I was asked today: "Why do you not give free wheat to the people instead of free coal to the manufacturers?"

" I repeat: The Government sells the coal to the manufacturers and the proceeds of these sales go to the special fund.

" There is another point I must make clear before the whole world. Today, at the Press Conference, I was asked many questions about the black market. I say, that it is not right to talk of the black market for certain foods. The wheat which UNRRA gives to the Italian Government is sold not at a commercial price, but at a political price, that is to say, a price much lower than cost. The bread bought on the black market represents the price of flour on the free market, that is to say the real price of flour.

" There is a difference; in our country it is luxury articles which are on the black market. It is not right to give the world the impression that in Italy advantage is being taken of the high price of bread for speculation purposes. That is not true. I hope that the Government will take the necessary steps to establish adequate prices, both for wheat and for pasta.

" Another point I wish to mention, is the shortage of dwellings. I am told, and rightly, that many premises are occupied by Allied military authorities and by foreign governments. I should not say so, but I will, nevertheless: - the sooner the Allied forces leave Italy, the better. I appeal to my government and to every government to return all requisitioned premises to Italy, because Italy urgently needs them. I hope that the representatives of foreign governments are listening to me. Anyhow, don't worry, my friends, if they are not listening to me this evening, they will listen to me later on.

" It is encouraging to see Italian workers, and I am happy to be able to say so, to you. At this moment, Italy has a great opportunity to show the world what she can do, because all the world is ready to see her set up a new Government in a new world.

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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 parliamentary speeches cannot fertilize the soil.

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" A country's economy can be made to prosper only with the co-operation of the people. Italy has many advantages and the greatest is that it is inhabited by a hard working and artistic people. But it also has many disadvantages: it lacks coal, petrol and minerals, and all these deficiencies must be met by Italian industry and Italian workers. This means that manufacturers must be content with smaller profits and that workers must be prepared to work conscientiously. Only good-will on both sides can help Italy.

" I will not say that the situation is impossible, but I must tell you frankly that for some time yet, perhaps till 1947 or 1948, there will be difficulties.

" It is to be hoped that the sacrifices of the Italian people will be recognised at the Peace table and that it will be remembered that the Italian people did not want war, and if it did, it was certainly not war on the side of the Nazis. And the sooner we forget it, the better.

" And so I leave you this evening. I do not know when I can come back, but I assure you that my thoughts will not leave the Italian people. And I am certain that Italy will manage to revive as she has done before in history, and that she will resume her place among the great nations of the world.

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H-4. MONTHLY REPORT OF THE BUREAU OF REQUIREMENTS AND DISTRIBUTION
FOR JULY 1946

POST-UNRRA PLANNING

1. The visit of the Director General made it possible to bring to a head discussions and work on the Post-UNRRA period. The Bureau produced an estimated Italian Import Program for 1947, with an estimated balance of payments for the same year. This was revised and expanded according to suggestions by the Director General and the Senior Deputy Director General, and was placed in the Director General's hands for use at Geneva. In addition, this work spurred the Government to similar efforts on its own behalf. In a word, our story is that Italy can take care of her imports (through exports and loans) on the industrial side, but requires one more year of subsidy to prevent the 290-million-dollar food import program from becoming a first claim on foreign exchange which should be "plowed back" into the industrial economy.

FOOD BUDGET

2. The fact that the Food Division in Washington has been sending us what they happen to have rather than what we put on our program has thrown our whole supply budget rather out of kilter. We have sent off several long cables on this and in addition have taken the matter up with the Senior Deputy Director General, when he was here. Because of the large amounts of UNRRA materials that have been dumped on Italy, we are hard put to it to find sufficient funds in the food budget with which to buy wheat, the highest priority item. The intention is to take this matter up again at Geneva.

VISIT OF DIRECTOR GENERAL

3. In the course of his four-day visit to Italy, the Director General had an opportunity to see the actual results of the UNRRA supply program. A complete folder of basic information about requirements and distribution was prepared for the use of the Director General and members of his party; and representatives of the Bureau accompanied him on quick inspection trips to Milan and Sicily.

REORGANIZATION

4. A reorganization of the Bureau was accomplished, the initial change being the removal of the Program Coordination and Statistics Division from the Sub-Bureau of Supply Operations to the staff of the Office of the Deputy Chief of Mission for Requirements and Distribution, and the addition of the Surplus Property and Procurement Branch and the Price Office to that Division. The Supply Accounting Branch, however, will remain in the Sub-Bureau of Supply Operations.

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

DISTRIBUTION OF DAMAGED 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;

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- (b) The organization of a Regional Liaison Branch in the Sub-Bureau of Relief Supply to coordinate the work of Regional Supply Officers who are responsible for watching and checking distribution of imported foodstuffs;
- (c) Issuance of instructions to regions on expansion of the distribution of agricultural supplies, and the preparation of similar instructions on food and industrial materials;
- (d) The arrival in Rome of the Distribution Control Unit of ERO to study distribution techniques and inspection on the ground.
- (e) The two-day conference at Naples of the recently-formed National Commission at which potential and actual spoilage and deterioration of foodstuffs was examined and disposal instructions were immediately given.

PRICING

7. During July three meetings of the now-flourishing Joint Price Committee were held. So far, prices have been established for 20 items through the issuance of five formal Price Decisions over the joint signatures of the Chief of Mission and the President of the Italian Delegation; and 10 more items are scheduled for action at the first meeting in August. Two Sub-Committees -- Agricultural and Medical -- have been set up, the first to study distribution costs of goods for which prices have been fixed, the second to study prices of penicillin and other medical supplies. The organization phase of this Committee is now over; there remains the more difficult (and more interesting) job of developing agreed standard criteria for the pricing of UNEFA 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 190,345 metric tons through 27 July brought relief from the cereals crisis and created a stock sufficient to maintain existing ration scales for 100 days.

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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 flannel for the layette program, sheeting for hospitals and domestic use, and low-cost shirting and cotton dress material.

INDUSTRIAL REHABILITATION

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12. A highlight on the industrial side was the Italy-wide strike of OIP (the Petroleum Distribution Organization) which commenced in Genoa on 15 July. The distribution of petroleum products was interrupted, although all except one of the incoming tankers were discharged. Action was taken immediately to impress the Italian Government with the need for prompt measures, and, after an unsuccessful attempt by them to persuade O.G.I.L., (Italian General Confederation of Labor and Industry) to call off the strike, an order was issued for Italian Military Control. Negotiations were again resumed and a settlement was reached on 20 July, which granted increases of pay to the strikers to be covered by small increases in the price of petrol, kerosene and gasoil, with which the Mission concurred.

13. The world shortage of rubber also caused some anxiety in the industry and it was feared that factories would be forced to close down in August. An additional allocation of 2,000 tons of synthetic rubber has now eased the situation.

14. With the new and stronger Minister of Industry and Commerce, the Industrial Sub-Commission structure is being strengthened and is proving (as we hoped it would) the backbone of the system for allocating UNRRA industrial imports.

DISTRIBUTION OF NON-UNRRA SUPPLIES

15. The distribution of supplies not imported by UNRRA (especially medical supplies imported by the Military last year and certain types of surplus property which have been turned over to the Italian Government) continues to be unsatisfactory. We took this matter up with the SMOG, who agreed with our recommendation that we should take active steps on this matter with the Government, even though they were not goods specifically imported by UNRRA.

TRANSPORTATION

16. Movement of UNRRA supplies was accomplished without undue difficulty in spite of idle wagons and their limited availability due to several local strikes, a general strike at Trieste, and competition with heavy military demands in the Naples area. Average daily loadings increased to an all-high from 4,735 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 occurred, due to the Trieste strike, has been handled, and the port is now

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RECORDS AND ACCOUNTING

18. An inspection of the supply records and documentation of the Italian Mission was made by the Deputy Chief Inspector Supply Records and a Field Inspector from 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

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-1000 - Monthly Report,	Pro. Coord. & Stat. Div.
H-1001 - "	S/B of Relief Supply.
H-1002 - "	S/B of Supply Operations.
H-1003 - "	S/B of Industrial Rehabilitation.

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.

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Appendix H-4-a

MONTHLY REPORT OF THE PROGRAM COORDINATION STATISTICS DIVISION

Program Coordination.

1. In collaboration with the Sub-Bureau, work has continued on the coordination of the final revisions of the Mission Import Program for 1946.
2. The revised Medical Import Program 1946 has been finalized and forwarded to Washington together with the X-Ray Import Program and the revised Medical and Sanitation Supply Budget.
3. For the information and guidance of the other interested Divisions, a summary is being prepared first, of Governmental regulations and payments in connection with the import export trade, and second, of the various commercial agreements into which Italy has entered with other countries.
4. The coordination of various commercial matters in connection with the Joint Advisory Committee for International Commerce has been carried out.
5. Work is in preparation on the establishment of a card-index system which will show in an accessible form the history, the amount programmed to date and the quantity arrived for each commodity on the program.

Statistics & Reporting.

6. Separation from the Commodity Accounting Branch has facilitated the work of the Statistics Branch in that statistics no longer have to be recorded in categories and units specified by commodity accounting procedure.
7. The Statistics Section completed its tabulation of all past shipments and arrivals, in terms of net metric tons so that it is now on a current basis and can supply comparisons of shipments with programmed quantities for any period. Prospective arrivals are tabulated on the basis of information regarding loadings and sailings and are periodically summarized. A ship-by-ship tabulation of all supplies arrived during the first six months of 1946 is nearing completion.
8. A statistical study is underway to determine more accurately than has been possible so far the development of Italian imports other than UNRRA or Italian Government imports (ITD) Italian Technical Delegation Expenditures.
9. The Reports Section has overcome most of the technical obstacles in the way of a quick and regular dissemination of pertinent statistics. A loose-leaf service of R & D statistics was initiated early in July and is now being sent out in over 100 copies for distribution inside UNRRA to Italian ministries, Allied embassies etc.

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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.....

- 2 -

Sub-Committees, Agricultural and Medical, have been set up, the first to study distribution costs of goods for which prices have been fixed, the second to study prices of penicillin and other medical supplies.

Surplus and Miscellaneous Procurement.

11. The normal work was continued of maintaining liaison with the surplus authorities and disseminating information on availabilities to the operating divisions. Representatives of this and other divisions are engaged in choosing the equipment from the Paris 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 which 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.

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Director

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MONTHLY REPORT OF SUB-BUREAU OF RELIEF SUPPLY FOR FOOD DIVISIONSUPPLY JULY 1946

1. The month brought relief from the cereal crisis that had been facing Italy in recent months. Arrivals of imported cereals to 27 July, in terms of wheat equivalent, amounted to 190,315 metric tons, with a further 15,107 tons signalled to arrive by 30 July. Of this total some 67,000 tons were on behalf of programs other than that UNRRA. From 1-26 July a total of 993,914 tons of wheat was brought to the massi. The cereal stock position as at 26 July shows sufficient to maintain Italy on existing ration scales for a period of 108 days.

2. Imports of miscellaneous foodstuffs other than cereals amounted to 29,460 tons, including 17,367 tons of sugar, 3,840 tons of wet salted codfish, 2,847 tons of fat cuts.

WELFARE

3. No final decision has yet been reached as to whether the Welfare Feeding Program will continue as such after 31 August 1946. Agreement, however, has been reached within the Mission as to:

- a) the desirability in existing circumstances of continuing some form of welfare assistance in kind after that date;
- b) the integration of the requirements for these assistance ration scales into the national distribution system under the control of the High Commissioner for Food; and
- c) the continued use of the Italian Delegation's Provincial Welfare Committees as "certifying" authorities, and distribution agencies for the food after they have received the requisite quantities through the Provincial Food Office.

RATIONING

4. The first of the series of joint conferences with representatives of the High Commissioner for Food on the question of consolidating national ration scales, has been held. At this conference it soon became evident that little further progress on this matter could be made until more was known as to future supplies. At present the High Commissioner for Food is not in a position to state whether or not the Government will make available sufficient foreign credit to purchase foodstuffs abroad, and/or lire to purchase any uncontrolled foodstuffs on the home market. A decision was, however, taken that as soon as possible equalization as between North and South of existing scales must

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- c) the continued use of the Italian Delegation's Provincial Welfare Committees as "certifying" authorities, and distribution agencies for the food after they have received the requisite quantities through the Provincial Food Office.

RATIONING

4. The first of the series of joint conferences with representatives of the High Commissioner for Food on the question of consolidating national ration scales, has been held. At this conference it soon became evident that little further progress on this matter could be made until more was known as to future supplies. At present the High Commissioner for Food is not in a position to state whether or not the Government will make available sufficient foreign credit to purchase foodstuffs abroad, and/or lire to purchase any uncontrolled foodstuffs on the home market. A decision was, however, taken that as soon as possible organization as between North and South of existing scales must be agreed upon.

5. Material progress has been made towards the clearing up of the black spots in regard to spoiled and deteriorated foodstuffs. The 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.

REGIONAL LIAISON BRANCH

6. During July this Branch was set up specifically to coordinate the work at this HQ level of the Regional Supply Officers, who are being appointed for all Regions to watch and check the distribution of UNRRA imported foodstuffs.

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7. The bulk of the work during July was confined to the preparation of material for the instruction of Regional Supply Officers. Meetings were held with the Italian Government and agreement was reached on the activities of these Officers and the types of reports to be submitted by them.

MEDICAL

8. Packing and distribution for the Third General Distribution (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, URRRA Programs and Italian Delegation. Six tons of stabrine 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 DP's preliminary declaration of surplus items remaining from the Brindisi stockpile acceptance will be modified and the revised surpluses will be made available to Italian DP's.

CLOTHING PROJECT

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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 flannel 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 Lire 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. AMC, 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.

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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 :

- (e) Notes on the black market in foodstuffs.
- (b) Monthly report on the rationing position and food cost in the principal Italian cities of over 300,000 inhabitants (June).
- (c) Study on meat and dairy products situation.
- (d) Statement on food position in Italy as of 1 June 1946.
- (e) Present ration scale and food position in Italy.
- (f) Forecast of the balance of trade for food, home produced fibers and means of agricultural production in 1947.

21. Analytical studies of the following have been carried out :

- (a) Distribution costs in connection with the fixing of prices for agricultural supplies.
- (b) The requirements for petroleum products for agriculture and fisheries.
- (c) Requirements of fertilizers for the fall of 1946 and the spring of 1947.
- (d) Revised requirements for farm machinery, seeds, and pesticides.

AGRICULTURE DIVISION

22. During the early part of the month, dry hot weather prevailed in North and Central Italy. Later, there were several storms with rain in the north and some wind and hail. There was less rain in Central Italy where the crops are beginning to show lack of moisture. In Southern Italy, the weather was generally dry with some rainfall in Abruzzi. Hail storms have damaged crops in some provinces.

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

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

25. About 17,631 tons of agricultural supplies and raw materials for agricultural supplies have reached Italian ports during July. In addition, 24 tons of sodium arsenite have been received and stockpiled in the UNRRA Mediterranean Reserve Pool of insecticides in Naples.

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26. Allocations of petrol for Fisheries have been largely increased. For the month of August the following allotments have been obtained: diesel oil - 77%, kerosene - 93%, and gasoline - 48% of maximum requirements. This will allow the fishermen to work from 16 to 18 days during August, and will be an appreciable increase in the total catch available for food.

27. Sardinia, Sicily and the South of Italy were visited through the month by Field Specialists in an endeavor to speed up threshing and husking of cereals, and to check the distribution of UNRRA supplies. Agricultural Machinery Field Officials supervised the assembly of combines in Foggia, Salerno, Grosseto and Pistoia, and are still giving instructions in assembly and maintenance. Visits were made by the Fisheries Specialist to coordinate the work being done in Piemonte for the improvement of mountain pastures and the reconstruction of mountain shelters.

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APPENDIX H-400

MONTHLY REPORT OF THE SUB-BUREAU
OF SUPPLY OPERATIONS FOR
JULY 1946DIVISION OF INLAND TRANSPORT

1. There have been no major rail operational difficulties during July. The repairs to the Arnolstein Bridge, near the Itab-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.

DIVISION OF PORTS AND SHIPPING

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DIVISION OF PORTS AND SHIPPING

5. The increased flow of supplies anticipated for the second half of the year is reflected in July receipts of slightly over 1,000,000 tons. This exceeds June figures by about 450,000 tons and represents acceptance and total or partial discharge of 151 vessels. Advance loading information indicates a continued upward trend for August arrivals which, in view of the heavy coal program 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 EEO, 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

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assisted by action taken to insure adequate provision of rail wagons and proper movement priority. Genoa is badly over crowded with cotton which it has been impossible to move out of the port as fast as discharged. All available suitable space has been used in the port area and a large amount of cotton is now under tarpaulins on the docks and in lighters. Additional space at Savona has been obtained which will accommodate 19,000 bales and warehouse availability in the Milan area is being checked.

8. The general strike at Trieste necessitated the diversion of 11 ships, stemmed for Austria and Yugoslavia, to Venice and some congestion resulted. However all this cargo was handled for these Northern Missions without great difficulty during the strike period and Venice is now clear.

DIVISION OF LOCAL RESOURCES

9. July Intermission Trade shipments consisted of 300 tons of alfalfa seed and 12 sample fishing lamps to Greece and 200 tons of alfalfa seed to the Ukraine.

10. Negotiations in process:

- a) anti-snake serum for Albania
- b) carbon bisulphide for Austria, Albania and Yugoslavia
- c) 5 tons lotus corniculatus for Greece.

11. Negotiations in initial stages:

- a) 1,000 plow shares for the Dodecanese
- b) 200 - 300 tons alfalfa seed for unspecified destinations
- c) 8,000 tons sulphur for Czechoslovakia.

12. Negotiations under discussion:

- a) Exchange of 50,000 tons of Italian seed wheat for an equal quantity of milling wheat plus bonus to be agreed upon.
- b) Diesel spare parts for Albania
- c) Electrical equipment for the Dodecanese

possibilities for surplus fruits and vegetables.

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- 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 a view 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 EEO, 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, accounting organization and to specific problems reference shipping, POL,

- 3 -

local and miscellaneous procurement and documentation backlog. Mr. Corday 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.

17. Commodity Accounting Section has been redesignated "Supply and Distribution 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
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APPENDIX H-4-d

MONTHLY REPORT OF THE SUB-BUREAU OF
INDUSTRIAL REHABILITATION
FOR JULY 1946

1. The chief event of the month was the arrival of the Director General on 24 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:

	<u>Pig Iron</u>			<u>Steel</u>		
	April	May	June	April	May	June
North Italy	9,515	15,634	18,937	67,113	75,915	74,376
Central & South Italy	-	-	-	14,587	19,746	20,153
	9,515	15,634	18,937	81,700	95,661	94,529

3. The production of Sardinian coal during June was 78,975 tons; the average production per day was 3,291 with a total average number of underground workers of 5,963, which gives an average production of 0.551 tons per man/day.

4. The production of lignite for the month was close to 180,000 tons. Lead production during June (latest available figure) was 952 tons and the production of zinc continued at a rate of 600 tons per month.

5. Much anxiety has been felt during the past six weeks in the rubber industry. The world situation of rubber availabilities is very tight particularly with regard to synthetic rubber and it was feared that the Italian factories would have to close down in August due to non arrivals. This Mission requested Washington that a constant percentage of synthetic to crude rubber should be maintained in all shipments so that factories would work to a constant percentage "mix" and thereby obtain maximum production. The general situation is now considerably eased as we have been informed that an allocation of 2,000 tons of synthetic rubber has been made to the Italian Delegation in Washington for shipment in equal quantities in July, August and September and that this allocation will not affect the UNRAA program.

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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 1328 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 margines are being made to decide which type will be generally produced. It is anticipated that full production will commence in September, the entire production

- 2 -

being for food purposes with the by-products being put at the disposal of the High Commissioner for Food and the Ministry of Industry and Commerce.

9. It has been decided that a total of 60,000 tons of national sugar will go to industry; of this quantity 7,000 tons will be allocated to pharmaceutical and dietetic products, 5,000 tons for milk and 30,000 tons for jam and marmalades.

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

11. The strikers did not interrupt deliveries to the Allied Armed Forces nor to the British and American Embassies, but all Italian and other categories of civilian consumers including UNRRA were unable to obtain supplies of POL.

12. Owing to the serious consequences which would follow a prolonged cessation of POL deliveries action was immediately taken to impress on the Italian Government the necessity for energetic and prompt measures to secure a settlement of the dispute and the return to work of all the strikers.

13. The Government after being unsuccessful in making the OGIL call off the strike issued an order placing all the petroleum installations under Italian Military control and calling, under penalty of fines and imprisonment for refusal, on all key personnel, to distribute POL to essential services and to UNRRA. The latter part of this order was effective in only some districts and it was not until Saturday morning, 20 July that UNRRA 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 Kerosene and Gasoil of two lire per kilogram as from 1 August 1946.

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

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11-5. MONTHLY REPORT OF THE BUREAU OF FINANCE AND ADMINISTRATION
FOR JULY 1946

RELATIONSHIP WITH THE GOVERNMENT.

1. Following upon decisions reached at the Fifth meeting of the joint UNRRA-Italian Government Lire Fund Control Committee on 10 and 12 July 1946, the recommendations set out in sub-paragraphs (a) to (c) below were made to the Chief of Mission and the President of the Italian Government Delegation for relations with UNRRA.

(a) That an additional amount of Lit. 1,481,150,000 be allotted to the High Commissioner for Public Health and Hygiene. This sum together with the Lit. 18,850,000 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 Amministrativo Soccorso di Sanzototto- 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 subsidizing lignite, brown coal and Sardinian coal production over the period 1 March to 30 June 1946. This arose out of an earlier agreement between UNRRA and the Government to the effect that lignite and brown coal production would be subsidized over the period stated at the rate of Lit. 500 per ton while the subsidy for Sardinian coal would be Lit. 1,000 per ton. After 30 June a new investigation of production costs and prices of imported coal was to be carried out.

2. At the Sixth meeting of the Lire Fund Control Committee on 31 July the following recommendation was agreed:

(a) That an advance of Lit. 155,000,000 be made to the Federazione dei Consorzi Agrari (Federation of Agricultural Institutions) by them in connection with the "P" plan of the UNRRA Welfare program covering July and August 1946. The claim of the Federazione for Lit. 249,636,776 under the "P" and "O" plans is being examined by the joint sub-committee formed for this purpose and a report to the Lire Fund Control Committee is expected in the near future.

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(b) That Lit. 23,041,000 be allotted to the C.A.S.A.S. (Comitato Amministrativo Soccorso di Sanzotetto- Administrative Committee to Aid the Homeless) rehousing program to cover the purchase of one car and 50 jeeps plus spare parts, by the Italian Delegation for account of C.A.S.A.S. This amount is included in a C.A.S.A.S. supplementary transport budget dated 9 July 1946, totalling Lit. 167,066,000. It had been agreed at the Joint Committee meeting on 8 March 1946 that the purchase of transport for C.A.S.A.S. would be a dollar expense, so that the new recommendation represents a saving of dollars made possible by changed circumstances which have enabled the organization to meet this commitment of Lire.

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3. The following Joint Sub-Committees were set up by the Lire Fund Control Committee, in addition to those previously referred to:

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

(b) To examine the budget amounting to Lit. 81,166,925 prepared by the Ministry of Post-War Assistance to cover the cost of manufacture of cotton products from the raw cotton imported by UNRRA.

4. A report was submitted by ICE (Istituto Commerciale Estero- Foreign Trade Institute) on UNRRA commodities sold during May 1946 as follows:

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Credited to Special Account

Sales

Grain	1,990,997,937	
Flour (Wheat)	75,607,880	
Flour (Rye)	38,897,291	
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 Clais and Harlings, 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.

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.

2,293,554,850 1,000,682,500

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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 Advisor 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.

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(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. 282), a discrepancy existed between 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 have now been received from ERO that this clause is being amended, and that no further similar action is to be taken pending clarification from Washington on the whole position.

12. Staff problems have arisen in connection with the supply of Foreign Exchange to terminated personnel, personnel proceeding outside the Mission on leave or on duty. In many cases Travelers' Cheques cannot be used.

13. The question of supplying cash to personnel on leave from other Missions is another problem. Visits have been received from members of other Missions, and although their pay books show credits, in view of the instructions promulgated in ERO Cable No. 1787, which laid down that salary withdrawals cannot be made in the country in which leave is taken, they were unable to draw any money whatsoever.

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

MAJOR ACTIVITIES CURRENT AND PROPOSED.

15. During the month 48 traffic accidents were reported, involving 11 fatalities and giving rise to 10 claims against 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

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MAJOR ACTIVITIES CURRENT AND PROPOSED.

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16. A reorganization of certain phases of the work of the Treasury Branch has taken place. The system of disbursement and collection of cash at the 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 Cinacitta Camp from the military on 1 August. This will be handled by a Representative of the Treasury Branch.
17. Physical inventories of all non-expendable administrative property, including vehicles, to which the Administration retains title as of 30 June 1946 have been or are in process of being made. These will be submitted to Accounts Division for insertion of cost, and ultimate transmittal to ERO in accordance with technical Instruction No. 1 (General Series).
18. During July the Quartermaster Branch issued approximately:

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53, 206 Class I Staff Rations
 20, 421 Servants Rations
 59, 539 Class II Staff non-heavy Rations
 20, 418 Class II Staff heavy Rations
 8, 280 Processing Section's Factory Rations
 1, 400 Snack Bar Rations.

New Class I Staff ration scales were introduced during the month. They are now adjusted to provide for adults, children 2-8 and children 8-14.

19. The adjustment of Class I Staff Salaries, in accordance with PRO 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 endorsement certificates where these apply.

20. The purchase of jeeps for the UMPA-CASAS project mentioned in the June Report (R-6, Para. 26) has ceased, and it has been decided that CASAS will obtain the balance themselves. The Administration has had 37 jeeps available to CASAS but 40 as stated in last month's report - and the remaining 3 will be acquired by CASAS direct. One hundred fifty-six load-carriers have been obtained from RAP sources for the UMPA-CASAS project, and they are all out in the field and working.

21. The Mission Conference Secretariat has covered 12 conferences during the month involving 47 secretary-hours of continuous reporting service to various ERO and Washington officials visiting the Mission, as well as to different sections within the Mission on relief assignments.

PERSONNEL STATISTICS.

22. As of 31 July 1946 the Mission Staff consisted of 567 Class I (regular) 3,334 Class II (locally employed) and 44 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, 3 Indians, 2 French, and one each from El Salvador, Yugoslavia, Iceland and Iran. For division of staff by class, service and sex, and for breakdown of Class I personnel by grade, see Attachment H-9, In-

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PERSONNEL STATISTICS.

22. As of 31 July 1946 the Mission Staff consisted of 567 Class I (regular) 3,334 Class II (locally employed) and 41 Class III (Voluntary Agency) employees -- a total of 4,042 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, 3 Stateless, 3 New Zealanders, 3 Russians, 3 Italians, 2 French, and one each from El Salvador, Yugoslavia, Iceland and Iran. For division of staff by class, service and sex, and for breakdown of Class I personnel by grade, see Attachment H-9, Information Requested in Form HIR-1.

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

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 ESA (Ente Comunale di Assistenza - Italian Communal Assistance Agency), Post-War Assistance and the present Provincial Committees for Social Welfare charity and relief. This Provincial Committee for Social Welfare would co-ordinate all the welfare services in the provinces, and would be responsible to the Ministry of Social Security and Relief. Whereas there is still no positive indication that such a Ministry will be established, the interest of the Delegation in future planning on broad general terms is encouraging.

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

Health Division.

4. The Health Division reports provision from the Lire Fund of a continuing Health program in 1947, and active cooperation with the Italian Government for a future health program after UNRRA terminates. There are also indications that the Provincial Committees are no longer exclusively concerned with medical supplies and are concentrating, in the field of Health, on tuberculosis control, child and maternal hygiene, water supply, and other public health measures.

Displaced Persons Division.

5. The Displaced Persons Division reports that the month of July marked a

program after UNRRA terminates. It is also indicated that the Italian Delegation is proposing the establishment of a Central Ministry of Social Security and Relief, and the co-ordination into one Provincial Committee for Social Welfare of the ECA (Ente Comunale di Assistenza - Italian Communal Assistance Agency), Post-War Assistance and the present Provincial Committees of charity and relief. This Provincial Committee for Social Welfare would co-ordinate all the welfare services in the provinces, and would be responsible to the Ministry of Social Security and Relief. Whereas there is still no positive indication that such a Ministry will be established, the interest of the Delegation in future planning on broad general terms is encouraging.

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Displaced Persons Division

5. In the field of displaced persons, the month of July marked a milestone with the signing of the UNRRA-SACRED (Supreme Allied Commander, Mediterranean Theater) Agreement, which defines UNRRA's responsibilities in connection with displaced persons eligible for UNRRA care. Also during the month, the first joint committee of UNRRA, the Italian Delegation and representatives of the Italian Government was held on 4 July to consider problems affecting both non-Italian persons in Italy, particularly those ineligible for UNRRA care, and the problems of Italian refugees. Tentative arrangements were made for the transfer of the Tracing Bureau to the proper social agency designated by the Italian Government, and simultaneously, arrangements were made by the Health Division and Displaced Persons Division for the discontinuance of the UNRRA-operated Forlì Hospital in Northern Italy and the greater utilization of Italian medical facilities for the care of non-Italian displaced persons.

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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. 390,000 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.

6. During the month of July, arrangements were continued for the development of agreements with the Mammonte Service Unit. Similar agreements are planned for all Voluntary Societies associated with UNRRA. In this agreement with the Mammonte 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.

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.

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Voluntary Societies.

8. During the month of July, arrangements were continued for the development of agreements with the Mouvement Service Unit. Similar agreements are planned for all Voluntary Societies associated with UNRRA. In this agreement with the Mouvement 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.

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

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 Is Lomanto, Trapani, (Sicily) x

Distribution of the remaining 21 40-bed hospital units and other hospital equipment such as furniture, surgical instruments and kitchenware, will be planned and executed during August. In addition, laboratory units were delivered to the Sicilian Provincial Laboratories of Messina, Catania and Caltanissetta.

4. A distribution plan for 95 UNRRA ambulances was approved in July. The ambulances will remain the property of the Italian Government, but will be assigned to Medici Provinciali (Provincial Health Officers) for use by specified hospitals and medical institutions in the Provinces. Distribution of these ambulances is delayed at present by a shortage of skilled mechanics for the necessary final inspection and adjustments prior to delivery.

5. During July, the Italian Government took title to medical supplies valued at \$ 1,958 and approximately 340 tons were received by the ICE (Italian Committee for Emergency) on behalf of

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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.

STATEMENT OF ACTIONS REQUESTED OF ERO.

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

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

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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 para-Governmental organizations which deal with the ambulatory sick and other official medical services which perform a public service.

Epidemiology.

12. No cases of plague were reported during July, but two cases of typhus fever occurred at Castellammare, Sicily, of whom one died. During June, 40 cases of smallpox were reported from the Provinces of Bari, Salerno and Reggio Calabria.

13. Malaria Control. - The malaria control program for the Italian mainland, which started on 1 May, is expected to be completed by the end of July. Final figures are not yet available, but approximate figures for the northern area only are as follows:

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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

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14. Disinfection. - The scheme for the nation-wide disinfection of hospitals, orphanages, institutions and jails is rapidly assuming final form. It is hoped that by 1 September engineers and equipment will be on 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 Sordale (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 Sordale Sanatorium, which is expected to open in August with 1,500 beds for the accommodation of refugees and returning prisoners of war. The unfinished sanatorium of the Ospedale Riuniti at Monte Mario, Rome, will soon be finished and equipped. The High Commissioner contributed 60 million lire for this project with the provision that 350 beds be reserved for Consorzio patients.

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 in the UNRRA Camps has been discussed with the High Commissioner

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for this program.

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Staff Medical Care.

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,

it was necessary to make application for the appointment of an additional Class II Medical Officer, who will act as Assistant Staff Physician and whose chief duty will be to undertake the work necessary for the proper functioning of the Compensation Plan.

21. Health Division Dispensary attendance in Rome for the month of July is summarized below :

Type of Service	Class I & III	Class II	All Classes
Misc. attendances (nursing treatments, minor surgical interventions & claims)	136	507	643
Immunizations	-	-	33
First attendances (Dispensary and home)	138	350	488
Repeat attendances	343	300	443
Physical examinations	3	209	212
Deliveries	-	-	-
X-rays (UNERA film)	12	19	31
Laboratory tests	-	-	47
Major surgical operations	-	-	-
Dental treatments	-	-	352
First aid (Breda and non-UNERA patients)	-	-	401
TOTAL	432	1,395	2,650

Regional Staff.

22. UNERA relief medical supplies are now reaching the Italian Provinces in large quantities and in order that distribution to receiving institutions shall be carried out rapidly and accurately, a recommendation has been made by this Division that Regional Medical Supply Officers should be appointed to assist Regional Medical Officers. Medical Supply Officers will be chiefly concerned with assisting Medici Provinciali in equitable and rapid distribution of UNERA medical supplies, investigation and reports on the use of medical supplies and follow-up on the ultimate use.

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Misc. attendances (nursing treat- ments, minor surgical inter- ventions & claims)	136	507	643
Immunizations	-	-	33
First attendances (Dispensary and home)	138	350	488
Repeat attendances	143	300	443
Physical examinations	3	209	212
Deliveries	-	-	-
X-rays (UNRRA film)	12	19	31
Laboratory tests	-	-	47
Major surgical operations	-	-	-
Dental treatments	-	-	352
First aid (Breda and non-UNRRA patients)	-	-	401
TOTAL	432	1,385	2,650

Regional Staff.

22. UNRRA relief medical supplies are now reaching the Italian Provinces in large quantities and in order that distribution to receiving institutions shall be carried out rapidly and accurately, a recommendation has been made by this Division that Regional Medical Supply Officers should be appointed to assist Regional Medical Officers. Medical Supply Officers will be chiefly concerned with assisting Medici Provinciali in equitable and rapid distribution of UNRRA medical supplies, investigation and reports on the need for medical supplies and follow-up on the ultimate use. In some Regions, the Medical Supply Officer will be required to share with the Regional Medical Officer the responsibility for the medical care of UNRRA staff.

23. Southern Region. - During the month the Regional Medical Officer visited three Camps for Italian Displaced Persons, reports on which are being circulated among appropriate sections of the 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.

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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. Berni,
Director of Health.

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E.C. Bern,
Director of Health.

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H-6-b. MONTHLY REPORT OF THE WELFARE DIVISIONFOR 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 reports show that 1,910,410 persons were fed under the UNRRA supplementary feeding program in May, 1,072,897 by cooked meals and

stimulating the Government to co-operate in future welfare services and on a clarification of our relations with the Ministry of Post-War Assistance.

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FOOD AND CLOTHING DISTRIBUTION.

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5. All provinces have not as yet filed complete reports for June. In complete reports received to date for June show a feeding of 1,787,580 during that month. This figure is lower than those reported for preceding months for two reasons (1) the incomplete returns and (2) the fact that no distribution took place during June in one province (Campobasso) and one comune (Carbonia) because of delays in the receipt of food.

6. The distribution of used clothing to *administrali* (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

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begin in September, revised rules of eligibility would be prepared. Proposed revisions in these rules which call for a distribution of clothing to needy children and women receiving services from established agencies, institutions, etc., as well as distribution to persons classified as refugees, were prepared by the Italian Delegation office early in July.

7. Despite the fact that these new rules of eligibility were formulated in a simple and clear fashion, and gave assurance that a more equitable distribution of clothing among needy persons would be accomplished, they were not approved by the Coordinating Committee on clothing distribution. Objection to the rules was presented by the Ministry of Post-War Assistance which felt that all used clothing brought into Italy should be transferred to that Ministry for the use of refugees. Further conferences on this question are being scheduled and it is hoped that by the end of the present month a satisfactory solution to this question will be found.

8. Most all of the summer colonies planned for needy children began operations during the month of July. As reported in our last report additional foods were made available for these summer colonies. In addition, supplies of soap were procured for the colonies and during August the Health Division disinfection teams will visit all of the colonies.

9. Welfare representatives in the field are beginning to report definite advantages accruing from the Mission policy to remove from the Welfare Division all responsibilities for observation and checking of supply problems. The presence in the field of representatives of the Bureau of Requirements and Distribution has freed the welfare workers to carry on their own special work, such as: advising on the selection of recipients, methods of distribution and record keeping, and observing and reporting on distribution practices. In addition, as a result of being relieved of supply activities, welfare officers are now able to give more time to encouraging the development of local social welfare activities.

10. During July a decision was reached to discontinue as of 31 August, the special feeding program in Carbonia. Since January, supplementary foods have been distributed free to all employees of the Mining Co. in Carbonia, not on the basis of need, but solely on the basis that they were employees of an essential industry. Inasmuch as special ration scales for essential industry are now in effect, there appeared to be no further justi-

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.

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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.

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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 given 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 dispersal from all camps, on the basis of no need, of persons earning sufficient money to support their families and themselves. Provision is made for the possibility of such persons continuing to live at the camps should they not be able to find lodging elsewhere, but it is made clear that they are not to receive any extra rations or services of the camps. The instruction also calls for the movement of those persons who necessarily must remain in camps to camps located in provinces where they resided before the war. The purpose of this measure is to move the refugees near their homes and to give them an opportunity to resume their former occupation in familiar surroundings. Another provision made in the instruction is that all refugees from Venezia Giulia, Dalmatia, Tunis and the Italian colonies are to be concentrated in a few special camps. The Ministry also proposes in this circular to provide a terminal grant of assistance for three months, as well as a grant of clothing to those refugees who leave camps and are repatriated to their countries of origin.

13. Each month since May when Welfare Division assumed responsibility for working with the Italian Government on its program for Italian Displaced Persons, Field Welfare Officers have been becoming more acquainted with the individual refugee camps. Reports received to date indicate that on the whole throughout the country, conditions in these camps are most unsatisfactory. The Division recognizes that the problem presented by this group of persons is one of major proportions about which it can do little until the Italian Government itself is in a position to launch larger rehousing, resettlement and employment programs. The camps are generally overcrowded, sanitary and health conditions are bad, and until the formulation of the evacuation order, little if anything was done by the Ministry of Post-War Assistance to identify the camp population and to weed out the ineligible.

14. In some areas in Italy, localities are making an effort to reach a satisfactory solution of some of the problems presented by these large concentrations of peoples in displaced persons camps. In Cagliari, Sardinia, a repair and rebuilding program of 183

basis of need, of persons coming without 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, Tunisia 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.

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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 163 flats for the new wall-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 Sinistrati intend to settle the present population of the two camps of the city.

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 presentation 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

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of Post-War Assistance to contact the High Commissioner of Public Health in an attempt to assure that assignments of medical supplies to Italian Displaced Persons camps be made to all provincial doctors, and similarly to assure that allocation of these supplies be made to the central office of the Ministry of Post-War Assistance so that it may provide supplementary supplies to those camps whose full needs are not met by original assignments.

17. We have also stimulated the Camps Division of the Ministry of Post-War Assistance to confer with the Ministry of Public Works in an attempt to assure that a number of the houses being repaired, or new houses being built, be set aside for present camp residents.

18. We are presently working with the Ministry of Post-War Assistance in the establishment of a repatriation office in that Ministry so that when it is possible to repatriate some of the present camp residents to the former African colonies and elsewhere, the preliminary preparation will already have been made.

19. We are also proposing that questions concerning Italian Displaced Persons camps be considered at the meeting of the Coordinating Committee which was originally established for the purpose of formulating policies with respect to clothing distribution.

20. Our plans also contemplate the calling of a meeting during August of the Delegation and Ministry of Post-War Assistance, so that all of the many facets of the problems presented by the Italian Displaced Persons program in Italy can be presented, and suggestions for solutions be received.

REACTIVATION OF SOCIAL SERVICES AND COORDINATION OF COMMUNITY 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 basic concept for Italian relief, the idea that every citizen has

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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

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to adults through ECA (Ente Comunale 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 incorporated in the general ration plan, the Government would commit itself to a continuance of the program and the necessity for special instructions and special releases of food would be obviated. Agreement was reached with the Italian Delegation that during the month of August and preferably by 15 August, a firm decision would be reached on this proposal.

26. Several Provincial Committees indicated during the month of July an interest in developing a directory of social agencies so as to assure within the provinces complete information as to the services offered and functions of the different agencies existing in the community. The meetings of Provincial Committees last month for the purpose of considering a proper coordination of welfare services was largely responsible for this present interest in the development of a directory of agency functions.

27. In Milan, the Provincial Committee and other interested groups

of Social Security and Relief.

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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

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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 characterized by mutual respect and sincerity and integrity in working toward common objectives. The one weakness noticed in our relations with the Italian Delegation is a tendency to work completely on its own,

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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.

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IMMEDIATE WORK PROGRAM.

35. Our major immediate objectives are:-

- (a) The completion of negotiations with the Italian Delegation on future program plans.
- (b) The reaching of an agreement with the Ministry of Post-War Assistance concerning its program and the type and degree of assistance it wishes from UNRRA.
- (c) The reaching of an agreement on revised rules of eligibility for the third clothing distribution to begin in September.
- (d) The completion of all travel arrangements for the persons chosen for UNRRA fellowships.

Phoebe Barnister,
Director, Welfare Division.

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(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 followships.

Phoebe Bannister,
Director, Welfare Division.

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Attachment H-6-bNUMBER OF PERSONS FED UNDER THE UNRRA SUPPLEMENTARY FEEDING PROGRAMIN MAY AND JUNE 1946.

P E R I O D	Reported fed by the Provinces		T O T A L
	By Cooked Meals	By Raw Distribu-	
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)

May 1946	1,072,897	837,513	1,510,410
June 1946			1,782,500
			(incomplete figures)

Prepared by Welfare Division - Statistical Section

(Figures supplied by Italian Delegation)

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H-6-(a) MONTHLY REPORT OF THE SPECIAL RELIEF PROJECTS DIVISIONFOR JULY 1946RELATIONSHIP 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 OPERATIONSProcessing SectionGeneral

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. Those 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.

New Production

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SUMMARY OF OPERATIONSProcessing SectionGeneral

3. Although there has been a small increase in number of garments sorted and repaired and in new garments produced, the month has been only an average one from the point of view of work done. The chief difficulties to be contended with have been the shortage of electric power, the lower output of manual labor during the summer months and the failure of the firms contracted by the Italian Delegation for Relations with UNRRA to continue the improvement in distribution transport referred to last month. (H-7-c Para. 4).

4. The number of workshops and warehouses has increased to 68, 9 new workshops having been started while 3 closed since the last report. These 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.

New Production

6. Comparative Production figures to date are as follows:

Number of items cut	May	June	July	Total
" " garments made	167062	340921	311408	- 819391
	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:

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	May	June
No. of pairs sorted during month was	183,150	221,006
" " repaired " "	20,460	69,995
		69,101

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	445,359	108,226	96,720	179
From commencement	3,384,465	923,589	722,981	27,121
In addition the following have been released to Camps Division for non-Italian Displaced Persons:				
	Clothing items	Clothing units	Shoes	Bedding items
Month to 15 July 46	2,705	407	1,910	Nil
From commencement	212,794	43,124	42,287	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.

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	37,670	134,715	104,337

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	Clothing items	Clothing units	Shoes Bedding items
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From commencement	212,794	43,124	42,287

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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
	<u>2,573</u>

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

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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 materials transported during month
Latina	5	545	2,436	3,891	3,190
Frosinone	29	299	3,167	8,352	2,564
Abruzzi	34	789	5,238	10,990	6,552
Porto S. Stefano	1	78	449	929	277
Aquania	21	720	4,085	7,626	2,703
Bologna	20	1,450	2,733	3,218	1,459
Ravenna	7	29	29	38	625
Totale	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 GASAS and are operating in the field:

Car	1	
Jeeps	37	
Motorcycles	9	
8 carts.	3	- 50 personnel vehicles

Devastated areas	Communes during Assisted month	total to date	persons during month		
Latina	5	545	2,436	3,891	3,190
Prosinone	29	299	3,167	3,352	2,554
Abruzzi	34	789	5,238	10,990	6,552
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 cwt.	3	- 50 personnel vehicles
15 cwt.	32	
30 cwt.	3	
2½ tonners	160	
3 tonners	175	
Breakdown lorry	1	
Water tankers	2	- 375 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 Alleanza Residui) - 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

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be noted that contractors engaged in new construction are providing their own transport. It was originally assumed that between 200 and 300 trucks would be used in new construction, but this later decision ensures that all the CASAS transport will now be concentrated on repair work.

Live Fund allocation

19. The Live Fund Control Committee has recommended a provisional allocation of Lire 167,066,000 to the program. The total allocation is based on current market prices, and will be reduced if more favorable prices are obtained (ARAR prices include a considerable and unreasonably large margin of profit and the Italian Delegation is attempting to obtain the material for a price as near cost as possible).

20. The Committee recommended the immediate expenditure of funds for the purchase of personnel vehicles and of spare parts to the value of 50% of the sum requested. Further approval, however, will have to be obtained for the expenditure of the further funds provisionally allocated.

21. In effect that means:

(a) the purchase of 200 trucks will be deferred until UNRRA has supplied the 800 now stated to be eventually available.

(b) the purchase of the 50% of the estimated requirements of spare parts (i.e. to the value of Lire 7,000,000); of 1,000 tires and 2,000 inner tubes and of Lire 10 million worth of garage equipment must first be approved by the Committee.

22. This arrangement is considered to be both logical and reasonable.

Spare Parts and Tires.

23. As usual, these are in short supply. This is a very serious problem, and threatens to become extremely so. Nevertheless at present the total of trucks kept idle by temporary spare parts shortages never exceeds 15% of the total fleet. If, however, more spare parts are not available soon in large quantities, the amount of idle tonnage will reach crippling proportions.

24. It is expected that a larger quantity of spare parts, sufficient, at any rate, to service the 160 G.M.C.'s will arrive from the USA at the beginning of August. Meanwhile CASAS should be able to go forward with the purchase of Lire 9,000,000 of spare parts from ARAR. If the USA shipment does arrive, and if the ARAR organization continues to improve, and spare parts will, in fact, be available from them, the future outlook on spares is not unhelpful.

Petrol.

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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 455,000 liters; this monthly requirement will steadily increase as more transport becomes available. Average vehicle consumption is 2.4 Km per liter and continues to improve.

Supply.

Clay Products.

27. The availability of clay products continues to be adequate and has not presented any serious problems in their provision for the present rate of repair. Lack of price control is resulting in wide discrepancies as between one district and another.

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20. 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. " " 9.38 "

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.

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Guido Nadro,
Director, Special Relief
Projects Division.

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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 (1) Displaced Persons Committee Terms of Reference.

2. In the course of this meeting the present position in regard to displaced persons was reviewed. The Italian Government representatives were particularly interested in the conditions for eligibility of displaced persons to UNRRA assistance. It was pointed out that UNRRA was authorized to offer assistance only to those displaced persons who qualify for such assistance under existing 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.

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 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.

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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 its archives and statistics for displaced persons eligible for UNRRA care as well as non-eligible, was questioned and it was proposed that the present position be reviewed by the Sub-Commission and the UNRRA Records Section staff to arrive at a practical solution.

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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 clearances or transportation for non-Italian displaced persons for areas under military control should be directed to the Movement Section of AG, Displaced Persons and Repatriation Sub-Coordination.
- 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 persons ex-Austria and ex-Germany, destined for repatriation to Greece, we have discovered that upon arrival at the Bari Transit Camp substantial

RELATIONSHIP WITH MEMBER GOVERNMENTS AND OTHER GOVERNMENTS.

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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 ineligible.

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13. The Rumanian Repatriation Mission, headed by General Balosin, visited Italy in July, after having visited Germany, Austria, France, Switzerland and Belgium in connection with the repatriation of Rumanian Nationals. A meeting was arranged between General Balosin and his Staff and Staff of UNRRA Italian Mission. The UNRRA program, as it affects Rumanian Nationals eligible for UNRRA care, was discussed in some detail. It was explained that Rumanian displaced persons received UNRRA care only if able to establish that they had been deported or obliged to leave their home or places of former residence by action of the enemy or because of race, religion or activity in favor of the United Nations. Determination of eligibility is made on an individual basis after a careful examination of all available information. The General suggested that Rumanians eligible for UNRRA care and desiring repatriation be assembled in UNRRA camps for identification and registration on specified dates. This suggestion was accepted and, although the projected repatriation of the group is to be an AC responsibility UNRRA will offer all possible services in connection with those Rumanians eligible for UNRRA care. General Balosin provided the Displaced Persons staff with valuable information concerning conditions in Rumania affecting returning displaced persons, and it is planned to disseminate this information to all interested persons.

MAINTENANCE AND CARE OF DISPLACED PERSONS.

14. Procurement and Feeding. Supplies for which local purchase orders were placed during June are now arriving. Some difficulties, however, have been experienced in the procurement of blankets and PX rations. As for food - all Camps, with the exception of Lecoe, 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.

RELIEF 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

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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. 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.

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 Hashasharoth may need revision. A recent survey indicates that many premises used for Hashasharoth 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 Missinn 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

visit of Dr. Coligny, 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.

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21. Our responsibilities in connection with Hechv Scharoth may need revision. A recent survey indicates that many premises used for Hechv Scharoth 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.

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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 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 (1) Displaced Persons Committee Terms of Reference

Attachment H-C-d(1)

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

Government Delegation for relations with UNRRA, to which one member 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.

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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.
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 meeting, issue the minutes, and follow up the recommendations made by the Committee.

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Attachment 5-2 (13)

23 May 1946

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

My dear Prime Minister,

For a considerable period the repatriation and care of non-Italian displaced persons in Italy has been the responsibility of the Allied Military Forces, and recently of the Displaced Persons and Repatriation Sub-Commission of the Allied Commission, which has been administering a certain number of camps and other installations for such persons in Italy. Since the beginning of 1946 UNRRA has been administering certain of such camps and other installations on behalf of the Supreme Allied Commander, Mediterranean Theater of Operations, and subject to military responsibility, in those cases in which the non-Italian displaced persons are eligible for UNRRA assistance.

Early in 1946 UNRRA was requested by the Supreme Allied Commander, Mediterranean Theater of Operations (SACMED), to take over from the Supreme Allied Commander, Mediterranean Theater, the care, maintenance and repatriation of non-Italian displaced persons in Italy eligible for UNRRA assistance. In agreement to this effect will be signed shortly between UNRRA and SACMED. The military period of responsibility for such displaced persons, during which UNRRA has been administering certain camps and other installations on behalf of the Supreme Allied Commander, Mediterranean Theater of Operations, and subject to military responsibility, will terminate on the date in which the Agreement will become effective.

It is the intention of UNRRA to take over this obligation from the Supreme Allied Commander, Mediterranean Theater of Operations, in accordance with Article II of the Supplementary Agreement between UNRRA and the Italian Government entered into on 19 January 1946, by which UNRRA is authorized to administer relief services for eligible non-Italian displaced persons in Italy with the cooperation, if requested, of the Italian Government.

You will recall that in my letter to Mr. Montini of 15th January 1946 it was pointed out that imported supplies for non-Italian displaced persons, whether such are procured directly by UNRRA or through military channels, will be paid for out of the UNRRA financial allocation for the Italian program for 1946. Supplies procured in Italy for such persons will be paid for from the lire fund of the proceeds of sale of UNRRA supplies.

UNRRA recognizes the ultimate authority and responsibility of the Italian Government for the care, maintenance and repatriation of such displaced persons.

There are about 8,000 non-Italian displaced persons eligible for

half of the Supreme Allied Commander, Mediterranean Theater of Operations, in those cases in which the non-Italian displaced persons are eligible for UNRRA assistance.

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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 2,000 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 10 camps is about 10,000.

A copy of the text of the draft Agreement between UNRRA and the Supreme Allied Commander, Mediterranean Theater of Operations, is attached. 1011

I shall be happy if you will state your agreement with this letter, so far as the Agreement between UNRRA and the Supreme Allied Commander, Mediterranean Theater of Operations, affects the Italian Government. When problems concerning the Italian Government emerge as a result of the new situation, I am confident that they will be solved in the same spirit of good faith and loyal cooperation which has

always characterized the relations between UNRRA and the Italian Government.

Please accept the expression of my highest esteem,

Sincerely yours,

S. M. Keeny
Chief of Mission

THE MINISTER OF FOREIGN AFFAIRS

Rome, 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 Mr. Montini, you said that UNRRA would continue giving assistance to non-Italian refugees living in Italy, from appropriations on the Italian program, and even specified that assistance expenses in this connection would amount to about 10 million dollars to be deducted from funds set aside for assistance to Italy.

This are the limits of responsibilities assumed by the Italian Government in this connection. I wish to call your kind

To: Mr. S. M. Keen,
Chief of UNRRA Italian Mission,
Rome.

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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 1945 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".

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This are the limits of responsibilities assumed by the Italian Government. In this connection, however, I wish to call your kind attention to the fact that at the time these responsibilities were assumed, the refugee situation in Italy was very different from what it has become since. Then it was a question of assisting chiefly "displaced persons" who due to war events found themselves outside their country and who wanted to return there. While most of these have already been repatriated, a great number of persons have now reached Italy who do not want to return to their country of origin for political reasons. This is a very serious problem for Italy which for obvious reasons cannot assume the burden of maintaining these elements for an indefinite period of time nor is she willing to assume expenses to repatriate them and to move them somewhere else. In view of the status of the majority of the refugees who are now in Italy I appeal to you therefore to have them repatriated and provided for in

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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 persons, as to those which usually exist in regard to

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4. You will note, therefore, that no fundamental immediate responsibility for the care of such non-Italian displaced persons eligible for UNRRA assistance has been imposed on the Italian Government. The principal immediate responsibilities of the Italian Government toward UNRRA concerning displaced persons seem to be those set forth in Article II of the Supplementary Agreement, which as you say, provides in Article II of the Supplementary Agreement for the benefit of non-Italian displaced persons in Italy pursuant to Resolution 57 and to Articles III and VII (b) of the first Agreement will continue to be administered by UNRRA with the cooperation, if requested, of the Government."

However, you will recall that in my letter to Mr. Montini of 15 January 1946, it was pointed out that requested supplies for non-Italian displaced persons, whether such are procured directly

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by UNRRA or through military channels, will be paid for out of the UNRRA financial allocation for the Italian program for 1946. Supplies procured in Italy for such persons will be paid for from the Lire Fund of the proceeds of sale of UNRRA supplies.

5. Because the UNRRA program is based on the urgent needs of the Italian people for basic impoted 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 administrative UNRRA texts, it might be ventured in summary that the non-Italian displaced persons eligible for UNRRA assistance are those who were displaced, to use your own words, "due to war events". These are the displaced persons to whom UNRRA gives assistance; and it is the basic policy of UNRRA under Resolution 92 to repatriate such persons as quickly as possible.

7. Therefore, non-Italian displaced persons ineligible for UNRRA assistance, are not the responsibility of UNRRA and remain the responsibility of the Allied armed forces. The maintenance and repatriation of such persons will remain the responsibility of the Allied armed forces or eventually of the Italian Government, in accordance with whatever relations may exist between the Allied armed forces and the Italian Government.

8. On 15 July the Agreement between UNRRA and the Supreme Allied Commander, Mediterranean Theater of Operations, referred to in my letter of 23 May was signed in Rome. This Agreement enters into effect on 1 August 1946. A copy of the text of the Agreement is enclosed.

I shall be happy if you will state your agreement with this letter to the Supreme Allied Commander.

"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."

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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. Keery
Chief of Mission

OK 6577

H-6-J-(111) UNRRA SACHED AGREEMENT RELATING TO
TRANSFER OF RESPONSIBILITY FOR DISPLACED
PERSONS FROM SACHED 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 SACHED) 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,

SACHED now desires to terminate the period of military responsibility for such displaced persons; and

WHEREAS,

UNRRA, under Article II of the Agreement of 19 January 1946 between UNRRA and the Italian Government, supplementing their Agreement of 8 March 1945, is authorized to administer relief for such displaced persons in Italy;

UNRRA, represented by S.M. Keeny, Chief of Italian Mission, and SACHED have agreed as follows:-

ARTICLE I

PURPOSE

(1) The purpose of this Agreement is to establish the conditions under which SACHED 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 SACHED 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 Agreement between UNRRA and the Italian Government of 2 March 1946 and of 19 January 1946.

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installations in Italy for non-Italian citizens for UNRRA assistance; and

WHEREAS, SACMED now desires to terminate the period of military responsibility for such displaced persons; and

WHEREAS,

UNRRA, under Article II of the Agreement of 19 January 1946 between UNRRA and the Italian Government, supplementing their Agreement of 8 March 1945, is authorized to administer relief for such displaced persons in Italy;

UNRRA, represented by S.M. Keeney, Chief of Italian Mission, and SACMED have agreed as follows:-

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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 Agreement 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);
- (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

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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 VII

TRANSFER OF PROPERTY

(1) The transfer of camps and other installations by SACMED to UNRRA includes all movable and immovable property, including premises, stores and supplies, vehicles and other equipment surplus to military requirements as UNRRA, in its opinion requires. Military records, classified or otherwise, pertaining to non-Italian displaced persons in Italy, are transferred to UNRRA. Such records, including necessary enquiry and statistical services, will be maintained by UNRRA after the

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).

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ARTICLE III

TRANSFER OF PROPERTY

- (1) The transfer of camps and other installations by SACMED to UNRRA includes all movable and immovable property, including premises, stores and supplies, vehicles and other equipment surplus to military requirements as UNRRA, in its opinion requires. Military records, classified or otherwise, pertaining to non-Italian displaced persons in Italy, are transferred to UNRRA. Such records, including necessary enquiry and statistical services, will be maintained by UNRRA after the transfer. Moreover, UNRRA will be kept informed and given access to subsequent military documents, directives and information, including classified material, which are relevant to the responsibility assumed by UNRRA.
- (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-requisitioning may take place simultaneously.
- (3) Responsibility for the reasonable care and use of United States or British military immovable property or movable property transferred on charge to UNRRA, will pass at the time receipts are signed by UNRRA. Such property will be listed separately and signed receipts turned over to SACMED. Ownership

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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, arrangements for transportation of displaced persons for whom UNRRA is responsible will be made by UNRRA with the appropriate civilian transportation authorities.

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ARTICLE VTRANSPORTATION

(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.

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- 4 -
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

(signed) M.W.M. McLeod

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

(signed) S.M. Kerny

S.M. KERNY
CHIEF OF ITALIAN MISSION

Signed. Rome, 15th July 1946.

RS 6231 DF

Attachment H-7-aMONTHLY 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 enmeshing 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 B.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 in 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

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

RELAC INFORMATION

6. This section came into being on the recruitment of an Information Officer and the first of a series of weekly articles on URRUA's activities was published during the month. An article on URRUA's work in Sardinia with illustrations was also published.

SERVICES PROVIDED WITH URRUA RESOURCES

Health

a. Supplies

7. The second medical supply distribution has now been checked in all Provinces, revealing a few shortages and shortages. In Cagliari Province the Provincial Medical Officer is endeavouring to dispose of his EXDIALA (Anti-Distribuzione Medicinale Alente - Institution for the Distribution of Allied Medical Supplies) stocks on the theory that after a distribution of "free" URRUA drugs it will be impossible to get rid of the former for cash payment.

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8. The distribution of cotton material (the plan for which has been amended in all Provinces to include hospitals and exclude the State-supported Sanatorio) 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 La Mirronia 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 Bandision are expected from Naples in the course of the coming week.

Welfare

13. The visit of a Food Officer from Headquarters this month has helped to straighten out outstanding problems in the food distribution for the Supplementary Feeding Program. In particular great difficulties have been encountered in obtaining accurate statistical data in Carbonia, the coal-mining district. Arrangements are now in hand for supplies to be made available up to the conclusion of this special assistance program - August 31.

14. With this distribution running more smoothly, the Welfare staff have been able to devote more time to the general welfare organization in the Provinces. A major preoccupation has been to lead the Provincial Committees towards a stronger emphasis on centers of a permanent character, with the possible withdrawal of food from the purely improvised centers.

15. The shipment of the second distribution of clothing and shoes for Italian Displaced Persons arrived this month.

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COAL

16. With all five recently-installed USAF 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 3337 tons. There is a stockpile at C. Antiocho of 22,000 tons - mostly sized coal.

17. A shipment of American bituminous coal - 8162 tons - arrived in the latter half of the month.

AGRICULTURE

a. Supplies

18. The newly-recruited Regional Agricultural Specialist has been in constant touch with the Agricultural Inspectorate and the local food authorities and several meetings have taken place. The needs of

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

b. Wheat Growing

19. The sowing, after a slow start, has picked up splendidly, thanks to the attractive prices and the efforts of the Control Officials, who now have the use of 13 UNRA jeeps.

20. The quantities sown during the same month of each of the years 1944 to 1947 were usually surpassed by this July's total of 137,840 quintals. In some places there was a shortage of warehousing space.

c. Anti-Grainhoarding Campaign

21. Although these posts are now practically wiped out, a final stand was made on the outskirts of Calicut City and the Royal Air Force airport was temporarily rendered inaccessible by a short but heavy invasion on one evening. All escaping from the city, however, soon cleared the field.

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

o. Anti-protestant Campaign

21. Although these posts are now practically wiped out, a final stand was made on the outskirts of Capital City and the loyal Air Force airport was temporarily rendered unusable by a short but heavy invasion on the enemy. Oil spraying from the air, however, soon cleared the field.

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

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Attachment II - 7 - 3.

MONTHLY REPORT OF THE REGIONAL DIRECTORSICILY REGION, FOR JULYINTRODUCTIONPolitical Aspects

1. The month of July initiated the last half of our 1946 program. Certain anxiety has been shown on the part of the Authorities as well as individual persons, resulting from the knowledge that UMRPA 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 50% lack of cooperation on the part of the Sicilian grain producers in the amassing program is a reaction to the new Government, an expression of independence, or a mere display of selfishness.

Food - Visit of Director General

3. That the food situation in an agricultural country should be the most difficult to solve is anomalous. The increase of the bread ration from 200 to 250 grams per day had been anticipated by the Italian authorities as a cure-all.

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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 axiomatic. 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 UNRA's job to amass. UNRA'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 amassed. He, and of this quantity 5,000 tons cannot even be touched, because a certain section of this Province is protected against the amassing.

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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 anticipated pleasure of receiving the Director General, Mayor LaGuardia, was timely. He had the opportunity of seeing with his own eyes the gravity of the situation, and he did not hesitate to explain this to the highest Authorities on the Island. He pointed out clearly that it was not an 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 granaries empty and no grain for purchase available. The problem now remains one to be solved by the Italian Government. In terms of money, 100,000 tons of Sicilian grain represent some 10 million dollars, were they able to purchase it, and a lowering of their ration scale eventually, if they are not able to purchase it. It is hoped that the presence of Mr. LaGuardia here on the Island will have stimulated the Authorities into immediate action, and it is believed that this will be so, since the expression of personal friendliness toward Mr. LaGuardia was evidenced at every turn. The unexpected arrival of the Director General caused a kind of furore in the city and will not be soon forgotten. The press took up his arguments and presented them to the people as a whole. The pleasure with which my own office received Mayor LaGuardia and Mr. Keery, 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 Etna Province and the measles epidemic is subsiding. Malaria and typhoid show signs of seasonal increase. Supplies of penicillin, narcotics, insulin and liver extract were distributed during the month. Sheetings for hospitals was delivered to two provinces. A survey of the Island was completed by Col. Macdonald, Regional Medical Officer, in conjunction with Dr. Savoja, Italian Regional Health Officer and Dr. Resinicova, TB Specialist from Mission Headquarters, to determine the allocation of 40-Bed Hospital Units. The 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.

Melfore

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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 Commission, 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.

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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 Mr. 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 unalterable. Instructions have been given that once a refugee leaves a camp on his own account he automatically forfeits his right to return. This is obviously most unfair because it prevents initiative to obtain employment. Further, no provision has been made for the issue of free travel passes for business or compassionate reasons. Free passes are given only for the following reasons: a) transfer from one camp to another

b) repatriation

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 Sicily.

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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

14. Very satisfactory relations continue to exist with all concerned in the discharge and reception of UNRRA goods in the Sicilian ports. The monthly imports for the month of July have increased over the past few months; it is pleasing to note that the imports have once again returned to normal and it is hoped that this situation will be maintained for the future. Discharged in Sicilian ports during the month of July:

-4-

Grain : 29,239 tons

Coal : 24,571 tons

15. During the month of July importation of UMPRA 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 UMPRA. In that the dispatch money to be earned has either been nil or less than the cost of discharging over and above the normal rate, it has been decided to discharge the vessels at the rate indicated in the Charter-Parties. The daily discharge rate has been correspondingly lower for the month of July for this reason. It may be noted that no demurrage was incurred on the ships discharging during this month. (Note by Mission Headquarters Shipping Division: The above procedure is in accordance with Port Instructions in cases where the overcharge would pay more than the labor required.)

16. A fair amount of progress in the repair of ports and their facilities can be reported. The construction of a mechanical apparatus for the unloading of coal in the Port of Palermo is in progress and in a few months will be completed. The addition of this piece of machinery will be of material aid to the port and a more efficient discharge will be effected.

17. It is urgently requested that the surplus material made available by the termination of the war in this theater be made available to the agencies requesting such material. The material requested will be of great advantage to the ports and will aid materially in their rehabilitation.

18. The supply of rail cars available in Sicily still remains far below the demand. The Italian State Railways have stated that a good portion of the cars have been used to transport goods to Northern Italy and have not been returned to Sicily. A separate report has been made to Mission Headquarters for the purpose of rectifying the situation.

C. B. MOSES
REGIONAL DIRECTOR
SICILY REGION

Attachment H-7-o

MONTHLY REPORT OF THE REGIONAL DIRECTORSOUTHERN REGION, FOR JULY, 1946.INTRODUCTION

1. The main features during the month of July have been wheat unloading, 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 Poggiore and Ansaldo at Pozzuoli are badly needing raw materials and some direction for peace-time production.

AGRICULTURE

6. Wheat unloading. In some processing figures are, to date, satisfactory. In others they have been

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5. The War Industrial plants of Alfa Romeo at Pomigliano and Ansaldo at Pozzuoli are badly needing raw materials and some direction for peace-time production.

AGRICULTURE

6. Wheat harvesting. The pressing 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 ten days in arrears and we find that the Southern Region has amassed, up to 24 July, nearly 900,000 quintals.

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

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flowered prematurely. Tomato production is quite good. Vines are in fine condition and a splendid vintage is expected. Olive crop and fruits are promising.

9. There seems to be some hitch at the moment in the distribution of fertilizers, which is being investigated. This is unfortunate as farmers are needing these at present, and an item such as sodium nitrate is likely to spoil in store.

TRANSPORTATION

10. There is no appreciable change in the transportation situation as described in the report for the month of June. (Attachment 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 two 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 for too long with nothing to do.

Displaced Persons Camps

These have been visited by the Regional Director and

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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

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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 hatted camp is gradually filling up and one cave has been completely evacuated. A school has been opened - an unusual school - with ages of pupils ranging from three to 20 years of age! It is hoped to open a Dispensary attached to the school in a few days.

General

21. We still find that the main hindrance to Welfare Projects generally is reluctance of the Delegation to place funds and transport at the disposal of Provincial Committees.

INFORMATION

22. Efforts are being made to find a suitable assistant Information Officer to cover the Southern Provinces of the Region from Harari 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 ERD 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 NAATI supplies, bar supervision and bar accounts are duties which it is difficult to impose upon individuals who are denied the enjoyment of the items for which they are responsible.

25. Hitherto premises occupied by the Southern Region have been obtained from the military, either American or British, because there was nothing else suitable. Under War Office instructions, such premises are due for military requisition with effect from 1 August. These premises include the staff and transient Hotel, all offices and warehouses.

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26. The growing number of travellers through Naples has necessitated our negotiating for the balance of available accommodation in the Santa Lucia Hotel. When completed there will be available approximately 90 beds which it is hoped will cater adequately for the Italian and neighbouring missions.

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

Naples, 2 July, 1946.

CM 6566

C. HANSON-ABBOTT
Regional Director

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H-7-4. 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 environment. 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 Pinacoteca 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 Cinecitté.

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 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 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 if necessary contemplated the full function and contribution of these two needed sources.

5. UNRRA is interested in observing the operation of the indigenous resources program insofar as it is connected 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 its program in this category, namely, the wheat

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 children's' thanks for the UNRRA Program. Calls were made at the school "Poverelle di Bergamo" and the Camp of Displaced Persons at Cinisotto.

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6. ADAR 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 economy. It is a known fact that a large portion of the items purchased by ADAR has been lying idle in warehouses and depots throughout Italy where many still remain undelivered and undistributed.

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7. The program of ENDIMEA can similarly be criticized with respect to medical products. Following the receipt of tremendous medical supplies from Allied sources, this Agency has followed a pattern of retardation of distribution. In May 1946 a conference took place with representatives present for the Allied Commission, the U.S. Embassy and UNRRA concerning "Accumulation of Supplies for Italian Relief". Recently this Agency, in response to pressure from UNRRA and other sources, has eased the distribution of medical supplies to hospitals and needy cases.

8. The purpose of mentioning both ARAR and ENDIMEA in this report is to give a clear picture of the lack of cooperation thus far on the part of these Agencies in making distribution which is vital to the economic effort. Even though there has been slight improvement in the picture recently, the price structure level is far removed from assisting the UNRRA Program. It has been observed that UNRRA should not concern itself with supplies which are not of UNRRA origin. This is a fallacy, if indeed UNRRA assumed that these Agencies would function with all other contributing factors in the vital economic picture. If UNRRA took into account the vast medical stores which ENDIMEA had and followed a source of action not to import items already on hand in Italy, it can certainly be stated that UNRRA expected distribution of these supplies in conjunction with those which UNRRA was supplementing. The striking result is that today in Italy ENDIMEA has on hand sufficient aspirin from Allied sources to take care of normal Italian needs for two-and-a-half to three years. On the other hand, the needy Italian workmen, who find it necessary to purchase this article, find himself confronted with the necessity of paying over 100 lire for a tube of aspirin, which in many instances represents one half of one day's pay for an Italian workman. If the UNRRA contribution to the industrial rehabilitation is to be a fact, price levels must be tackled with more force and reality. (See also Para. 15 of Attachment H-4).

AGRICULTURE.

9. Extensive inspections have been made in the Region by the Agricultural specialist concerning fertilizers, agricultural machinery and seeds.

10. The Amassi Program has been proceeding in fairly good order with one exception - in the area of North Abruzzi where a political question concerning share-cropper rights has arisen. This evidently is being solved so that for the time being it can be said that the Amassi Program is going ahead favorably.

11. With respect to agricultural machinery, it seems that the South is in vital need of more machinery and equipment, while apparently the North is faced with a slight surplus. In addition to the loss of livestock which farms throughout Italy in general suffered during

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).

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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.

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WELFARE.

13. The Summer Colonies Program is proceeding favorably and much good will has been built up for UNRRA in this work.

HEALTH.

14. The distribution of medical supplies has not been as great as during the previous two months. However, on the third consignment of UNRRA trucks, it is expected that major needs will be taken care of. No epidemic conditions have occurred throughout the Region.

SUB-OFFICE, 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. Borro,
Regional Director,
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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 Pombino took in six UNRRA ships this month, somewhat improving conditions among port workers. Agriculture says the amazing campaign is giving outstanding results in Emilia where Ravenna, Ferrara and Modena have exceeded their target and Bologna and Forlì will soon reach it. Other crop production forecasts are good, especially in sugar beets and fruit. 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 marketers are finding life less pleasant. Industry Section says that food processing is looking up because of excellent crops, but our iron, mechanical and textile industries persist in doldrums because of lack of fuel, markets and capital.
4. Finance and Administration have given us a new billet in Florence, a new garage in Bologna, new messes for local staff in Florence, an increased and consolidated financial accounting system, but report little hope of bringing transportation up to allotted strength.

PUBLIC INFORMATION SECTION.

5. Information on the activities and scope of UNRRA aid to Italy continues to pour forth from the regional information office. A weekly survey of the progress of UNRRA and the general economy goes

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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.

RELIEF SERVICES BRANCH.

SPECIAL RELIEF PROJECTS SECTION.

6. (Processing). The processing of used clothing which arrives from overseas in mixed bales has increased considerably during the past month and is now quite an industry in itself. Our Florence and Bologna workshops provide employment for several hundred people, mostly displaced persons, homeless and other needy categories. In Florence coats and shoes are being processed in our shoe repair shop by about 65 displaced persons under the direction of a skilled cobbler.

7. Processing statistics for the past month are as follows:

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	Florence	Bologna	Total
Bales opened	804	795	1,602
Garments sorted	105,456	129,144	234,610
Garments repaired	27,553	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	81,600	40,502	122,102
Garments made up	3,480	6,956	10,445

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.

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

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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	916	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 secretaries for July food distribution show the following totals:

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July	Hot Meals	Dry Food	Total
Bologna	9,343	30,894	40,137
Forli'	8,900	17,126	23,026
Ferrara	6,359	11,941	18,300
Modena	4,429	18,151	22,580
Parma	1,436	47,918	49,354
Piacenza	3,153	5,501	8,654
Ravenna	12,953	3,323	16,276
Reggio Emilia	3,339	8,490	11,829
Apuania	10,449	4,330	14,779
Arezzo	8,810	5,930	14,740
Florence	21,857	12,798	34,655
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
Pistonia	5,569	2,657	8,226
Siena	9,758	3,910	13,668
TOTALS	139,714	185,453	325,167

16. The situation has materially improved since the inauguration of the system of direct deliveries to "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 consumer 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; Pistoia-1,000; Piacenza-480. A large new camp in two sections is to be opened in Marina di Massa on 29 July covering some 2,300 persons. Two others (Florence and Lucca) are expected to open shortly for about 1,000 and 2,500, respectively. Nearly all these refugees are from Venezia Giulia.

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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:

Bologna-(18 camps) 5,015; Ferrara-200; Forlì-998; Modena-1,177; Parma-123; Piacenza-550.

20. (Summer Colonies). Provincial secretaries are to be congratulated on the results of their work to get summer colonies and daily holiday parties started by the middle of July. The approximate numbers of colonies for the Region are as follows:

Tuscany:	50 resident colonies	236 daily colonies
Emilia:	40 resident colonies	53 daily colonies

Special mention should be made of Reggio Emilia, Forlì and Modena where all colonies are now opened. Many of the colonies have already had a visit of inspection. Bearing in mind the difficulties which have had to be overcome, most are surprisingly well-organized.

21. (Relations with Italian Government). Both the Italian Delegation

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 accommodation because of war damage and lack of essential equipment and drugs.

23. The anti-mosquito campaign with DDT in the Po Valley and estuary region has been very efficiently carried out by 10 teams in Ferrara and Ravenna. At the close of this campaign before the end of the month, general disinfection of all hospitals and other public institutions is to begin. After this, a supply of DDT will be furnished to carry on the work under local arrangements.

24. (Distribution). With the exception of a few articles not urgently required, all items of the first and second general distribution of medical supplies have been taken up by the hospitals. In addition, during July a distribution of much-needed narcotics, liver extract and insulin has been made. Linen supplies to all provinces in the three 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 communes of each province by the under-staffed provincial health officer must be stressed. A possible solution to this problem might be a special temporary increase of staff and the cooperation of other Government workers in their distribution to communes.

DISPLACED PERSONS.

27. (Assistance). The present total caseload of out-of-camp assistance in the region is 1,661 people. In Tuscany, 196 persons are being cared for in "Hochsharoth" (Jewish vocational training centers) and 474 are being assisted outside of camps. In Emilia, the figures are 589 in "Hochsharoth" and 402 outside. During the month, 830 authorizations were issued for general medical care to displaced persons, an increase of 30% over last

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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 diptheria epidemic among babies in the Villa Alinari "Hochshara" was nipped in the bud following energetic measures taken by this office.

REQUIREMENTS AND DISTRIBUTION BRANCH

STATISTICS AND REPORTS SECTION.

29. (General Economy). Looking back over the economic survey tour of our 17 provinces, we find conditions varying according to the economic organization of each province. However, certain basic conditions are true of the whole region: lack of capital for reconstruction, severe unemployment, lack of basic industrial materials (especially coal), insufficiency of transportation facilities and lack of basic agricultural materials

- 5 -

(machinery, fertilizers and seeds). Private enterprise is wary of financing needed reconstruction because of the cloudy economic and political future. State programs of public works have not as yet affected general economic conditions.

30. (Unemployment). There is widespread unemployment in the region. The attached table (see Appendix "A") shows a total of 122,649 unemployed in Tuscany and 136,996 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 638 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; 26 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 stocks before old. If this tendency is eliminated, allocations not yet fulfilled from Leghorn will dispose of all the milk, dried vegetables, mackerel and sugar. The rest of the food is unpalatable to Italian consumers, besides being priced rather high.

AGRICULTURE.

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AGRICULTURE.

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

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 out in August.

37. Harvest liaison work carried out during the month by UNRRA agricultural personnel reveals the main problems of the harvesting 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 "IPSEA" (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

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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 allotted for July is sufficient for 10 days fishing. Much former A.C. fishing material has been lying in the Leghorn warehouses for six months, because the prices established by the Government are higher in some instances than those of the free market. Eighty tons of fish were reported by the two Leghorn cooperatives and 106 tons by Viareggio.

FOOD SECTION.

41. (Distribution). The checking of food distribution in the region is now in full swing. Our statistical office keeps a constant check on the basic 10-day returns of the provincial "Consorzio Agrario". We have found that approximately 10% of these returns are incorrect. Immediate contact is made with the provincial office and figures are corrected.

42. It has been found that certain imported food items in powdered form (eggs, milk, soup) are moving extremely slowly. There seem to be two reasons: first, the items are not palatable to the average Italian; and second, prices are set too high, making it preferable to buy fresh products.

43. The regional stock situation in these items for the month of June is:

Commodity	Stock in hand	Distributed	Balance at
			30 June 1943

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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	666.87	4,553.56
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 arduous 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

that the Government had ordered a general increase to 250 grams, all the provinces in the region stabilized the ration at that figure.

45. (Black Market). Special mention must be made of the war which is being waged by Italian officials in this region on the black market in food. All of the Italian police forces and officials, (Carabinieri, flying squads, tax police, statistical officials, road police, rail police, economic police, city constables) and volunteer citizen committees are mobilized in the formation of road-blocks to halt illegal transportation, investigation of mills and threshers to check illegal possession of grain and control of prices in shops. Threshing licenses have been revoked, mills have been shut down, amassing violators have been arrested, shops have been closed, black 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 feed 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. Lignite, marbles and iron ores are also held up by the irregularity and frequent non-existence of rail transport.

50. (Local Fuel). Industries agree in principle that consumption of imported coal should be kept to a minimum when locally-produced fuels (lignite, methane, etc.) are available; in practice however, very

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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 kilocalories of heat). 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

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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	1,457	- 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 premises 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	-
Bologna	6	41 " "	9
Faenza	1	1 " "	-
Leghorn	-	2 " "	-
Carrara and Lucca	1	5 " "	8
Total	21	103	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 accommodation has been found.

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ADMINISTRATIVE SERVICES SECTION.

55. Personnel strength this month is:	Class I	Class II	Class III
Florence	13	54 monthly	36 daily
Bologna	6	41	29
Faenza	1	1	"
Leghorn	-	2	1
Carrara and Lucca	1	5	3
Total	21	103	69
			17

Total 210

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

57. Two Class II messes, one for heavy workers and one for office workers, have been opened in Florence and Bologna is planning a similar mess.

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

CM 6523

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)	(1)
FIRENZE	52	-	105	18,150	316	7,610	223	1,946	40
LIVORNO	294	-	25	8,036	115	4,309	29	3,885	201
PISA	347	+	105	5,903	412	1,703	154	2,379	200
LUCCA	1,537	+	149	14,610	731	2,208	182	5,520	452
PISTOIA	638	+	79	4,513	166	1,626	9	3,547	196
APUANIA	524	-	4	11,759	148	2,742	71	6,588	31
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	556
MODENA	5,535	-10,537	7,896	-	1,790	498	24	1,016	36
BOLOGNA	12,851	-7,644	19,617	-	206	1,961	57	4,566	71
REGGIO E.	4,707	-8,060	7,876	-	995	591	30	969	6
PARMA	1,115	-1,282	3,484	-	281	663	4	973	37
PIACENZA	956	-71	8,859	-	123	232	27	1,653	231
FERRARA	34,211	-23,522	16,615	-	843	706	11	1,365	26
RAVENNA	1,556	-2,714	555	-	271	214	58	721	15
FORLI'	1,289	+	2	8,850	96	506	9	1,216	53
TOTAL	52,212	-51,658	78,150	-	3,105	5,991	39	12,603	290

(1) Total unemployment in June 1946

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

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

Appendix "A"

(Figures from Provincial Bureau)										
E	INDUSTRY		COMMERCE		VARIOUS		TOTAL		REMARKS	
	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)		
105	18,150	+	316	7,610	+	223	1,946	+	474	Unemployment figures for Tuscany are almost unchanged, but show a slight increase in Industry. Tuscany farms being small, no extra help is employed for the harvest.
25	8,036	+	115	4,309	-	29	3,685	-	140	
105	5,903	+	412	1,703	+	154	2,379	+	871	
149	14,618	+	731	2,208	+	182	5,520	+	1,514	
79	4,513	+	166	1,626	-	9	3,547	+	432	
4	11,759	+	148	2,742	+	71	6,588	+	246	
29	5,449	-	435	669	-	9	552	-	504	
131	987	-	181	683	-	92	1,127	-	624	
114	702	+	139	369	+	172	428	+	514	
153	70,117	+	1,411	21,919	+	663	25,972	+	2,783	
										TOTAL PERCENT INCREASE 2.33%
10,537	7,896	-	1,790	498	+	24	1,046	-	13,339	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.
7,844	19,617	-	203	1,981	+	57	4,566	+	7,919	
8,090	7,876	-	995	591	+	30	989	+	9,047	
1,282	6,484	+	281	823	+	4	973	+	357	
71	8,859	+	123	252	+	27	1,893	+	350	
23,522	16,015	-	643	706	+	11	1,369	+	24,128	
2,714	535	-	271	214	-	53	721	-	3,065	
2	8,858	+	96	806	-	9	1,246	-	36	
54,058	78,150	-	3,405	5,901	+	89	12,603	+	57,084	
										TOTAL PERCENT DECREASE 26.6%

Unemployment in June 1946

decrease of unemployment in June compared with May 1946

653

INCREASE OF FOOD COSTS IN EMILIA REGION SINCE AUGUST

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

MONTH		FERRARA	PARMA	MODENA	FORLÌ	RAVENNA	REGGIO E.	BOLOGNA
AUGUST	1945	11,258.30	11,759.10	11,956.40	12,021.00	11,959.80	12,222.00	15,888.40
SEPTEMBER	1945	13,858.40	12,970.20	15,362.10	14,423.10	14,652.90	14,742.90	17,276.10
OCTOBER	1945	15,752.70	14,615.10	17,460.90	15,285.90	15,606.00	16,565.70	19,109.50
NOVEMBER	1945	14,454.60	16,958.10	13,601.70	17,333.40	19,455.60	18,568.50	20,472.30
DECEMBER	1945	16,149.00	15,865.00	15,586.80	18,983.10	19,499.40	16,693.50	19,912.10
JANUARY	1946	17,180.10	16,657.50	16,509.00	17,197.20	18,402.90	18,486.60	18,651.30
FEBRUARY	1946	16,146.30	16,642.50	16,309.50	17,644.50	18,275.10	17,887.50	17,342.70
MARCH	1946	16,357.50	17,059.20	18,081.00	18,128.70	19,557.30	17,859.30	19,081.50
APRIL	1946	18,318.30	18,215.10	19,716.60	18,773.70	19,584.00	20,009.70	19,485.90
MAY	1946	16,649.40	19,710.00	19,348.20	17,720.70	17,812.50	20,305.50	20,665.20
JUNE	1946	17,093.40	18,928.20	17,898.00	17,656.50	16,764.00	20,800.50	20,317.80
Aver. Provincial								
Costs during		15,751.63	16,309.09	16,533.65	16,838.91	17,415.40	17,649.24	18,754.80
year								

Average Regional Food Expenditure in 1945 - 1946 - Lit. 17,300.89

(Statistics by Region)

INCREASE OF FOOD COSTS IN EMILIA REGION SINCE AUGUST 1945

Appendix "B"

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

PARMA	MODENA	FORLI'	RAVENNA	REGGIO E.	BOLOGNA	PIACENZA	Average Regional costs by month
759.10	11,996.40	12,081.00	11,959.80	12,222.00	15,688.40	15,809.40	12,878.80
570.20	15,362.10	14,423.10	14,652.90	14,742.90	17,275.10	18,230.70	15,190.00
615.10	17,460.90	15,285.90	15,006.00	15,565.70	18,109.50	19,154.10	16,568.73
958.10	13,601.70	17,333.40	19,455.60	18,568.50	20,472.30	17,879.10	17,340.41
885.00	15,586.80	18,983.40	19,499.40	16,693.50	19,012.10	19,023.30	17,604.06
657.50	16,509.00	17,197.20	18,402.90	18,486.60	18,651.30	20,106.30	17,898.86
642.50	16,309.50	17,644.50	18,275.10	17,887.50	17,342.70	20,898.60	17,643.34
7,059.20	18,081.00	18,128.70	19,557.30	17,859.30	19,081.50	20,845.50	18,371.25
8,215.10	19,716.60	18,773.70	19,584.00	20,009.70	19,485.90	21,232.80	19,417.01
9,710.00	19,348.20	17,720.70	17,812.50	20,305.50	20,665.20	21,079.50	19,161.37
8,928.20	17,898.00	17,656.50	16,764.00	20,800.50	20,317.80	21,719.10	18,897.18
6,309.09	16,533.65	16,838.91	17,415.40	17,649.24	18,754.80	19,634.40	17,360.89

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

(Statistics by Regional Labor Office - Bologna)

CM 6538

Appendix "C"

as of 22 July 1946

MASSING CAMPAIGN 1946

EMILY A.

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

FD 14/E

as of 22 July 1946		ND 14/E	
AMASSING CAMPAIGN 1946		EMILIA	
Progress of 1946 Amassing Campaign			
in relation to forecast			
anticipated by Italian Authorities.			
1,000,000	1,000,000		
975,000			
950,000			
925,000			
900,000			
875,000			
850,000			
825,000			
800,000			
775,000			
750,000			
725,000			
700,000			
675,000			
650,000			
625,000			
600,000			
575,000			
550,000			
525,000			
500,000			
475,000			
450,000			
425,000			
400,000			
375,000			
350,000			

Appendix "D"

55 of 22 July 1946

MASSING CAMPAIGN 1946

T O S C A N A

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

[illegible]

[illegible]

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Attachment H-7-f.

MONTHLY REPORT OF THE REGIONAL DIRECTOR.

LIGURIA & PIEMONTE REGION, FOR JULY 1946.

INTERLUCTION.

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 Colen 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 Beria, 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.

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6. The mailing list for "Economic Notes" continues to increase. The supplement, "Survey of Italy's Economy" has been well received, and most favorable comments have reached the Regional Office.

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

AGRICULTURE

8. During the month the weather has been mainly fine, with occasional heavy storms. On Sunday 21 July 1946 a very heavy hail storm passed over the upper Scrivia and Trebbia valleys. These are the most important potato and chestnut districts of the Provinces of Genoa. Farmers of this zone say that crops are almost totally lost. Director Professor Allegri of the local Ministry of Agriculture is making a report which will be forwarded to Headquarters.

AMASSING

9. The Amassing Program, both in Liguria and Piemonte, has been disturbed and held up by sporadic bad weather. An overall picture of the amount of grain to be amassed should be available by mid-August, should no further deterioration in weather conditions occur. The present figures of grain amassed are very much in excess of those of last year at the same period, but very much less than those of a

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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 UBERA 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 UBERA 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 marilla and coconut twines can be found in the open market. The prices, however, are so high that they are out of all proportion to the catches landed.

15. In Genoa and Leghorn the ex-AC fishing equipment is still lying in warehouses. This Office has received orders from Headquarters RME to assist and help the FARP (Fondazione Assistenza e Riformamenti per la Pesca - Corporation of Assistance and Supply for Fisheries) in the distribution, but up to date no instructions have been received nor have the FARP a representative in Genoa.

(Note by Headquarters Division of Agriculture, Forestry and Fisheries: The ex-AC fishing equipment is the property of the Italian Government. The ex-AC fishing equipment which would be con-

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

WEATHER.

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

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provinces in which the camp was located. Even when advised to issue this food by the Delegation the Consorzio Agrario refused to do so without orders from their own Federazioni.

18. During the visits to Colonies we were saddened by the lack of program and by the disinterest or lack of skill on the part of the camp leaders. The entire program seems to be going in the water, coming out for refreshment, sitting under the shelter, then going in the water again. At no time was there seen any game being played, any story being told, or even any encouragement being given to bored children to build sandcastles.

19. In the Region there are 221 day camps with a population of 27,071 and 81 permanent camps with a population of 11,209.

Italian Displaced Persons Clothing.

20. Reports have been forwarded to Rome regarding the condition of clothing which has been very poor. The Processing Section expert has reported the clothing in Turin to be average. It can be stated (with feeling) that "average" to our minds is much too low. In one of the Provinces the worst of the clothing has been repaired and laundered and the result is very satisfactory, and it is felt that if more care were taken in sorting and packing before distribution a higher standard could be achieved.

(Note by Headquarters Special Projects Division, Processing Section: A representative of this Section has been sent to Turin to look into the state of this consignment of clothing).

21. In general there has been a marked lowering of morale among the Provincial Secretaries, who have felt greatly harassed by new ration scales, clothing problems, and colonies springing up like mushrooms all round them. Our Field Staff have worked very closely with them through this crisis and by their combined efforts the situation is now under control.

Major Activities.

22. During the past month the "Criminology Research Group of Liguria" held a meeting in Genoa. This Group is interested in establishing suitable institutions for the rehabilitation of juvenile delinquents. At the meeting reference was made to an "inter-Ministry

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

DISPLACED PERSONS.

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

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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 Celsia Hospital. The following day information was received from the Hospital that these cases presented a probability of 90% typhoid. Blood tests were taken and after a lapse of two days were found to be absolutely negative. However, during this time another 33 persons were sent to Hospital for the same reason. Anti-typhoid injections were given immediately to the remainder of the camp. The exact cause of the above-mentioned fever has not been established and it is thought that it was caused by food or mosquito bites. All the above-mentioned patients have recovered.

SECURITY.

27. The following monthly figures for arrests of people illegally entering the Port Area indicate the increasing vigilance of the Port Police:-

March	38.
April	53.
May	86.
June	398.

Two small motor boats are now being used by the Port Police, and a further two boats will be in operation shortly. Information has been received that during August a further 100 Police Agents will be allotted to the Port for security. The overall picture is one of general improvement of Port security with every indication that it will continue to improve.

28. During the month there has been a case of impersonation of an UREAA employee pretending to be employed in the UREAA Regional Office, Genoa. The Police have the case in hand, and warnings about imper-

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28. During the month there has been a case of impersonation of an UNRAA employee pretending to be employed in the UNRAA Regional Office, Genoa. The Police have the case in hand, and warnings about impersonations of UNRAA 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 UNRAA supplies and all Police Chiefs expressed their willingness to give the maximum cooperation to this Office.

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HEALTH.

31. ENDIMEA. (Ente Distribuzione Medicinale Alleanza - 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.

UNREA 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 UNREA 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. "Eadon Bennett" for the Medical Officer of Genoa. Two hundred phials which had been brought ashore by one of the crew of a ship in dock were recovered by the South African Military Police, and have been handed over to the Medico Provinciale of Genoa.

Summer Colonies.

34. The medical care of Summer Colonies is being investigated, as at present there seems to be some misunderstanding as to who is really responsible for the medical supplies.

FINANCE AND ADMINISTRATION.

35. The personnel strength of the Region is as follows:-

10 Class I:	8 in Genoa.
	2 in Turin.

69 Class II:	53 in Genoa (32 monthly - 21 daily)
	16 in Turin (11 monthly - 5 daily)

1 Class III:	in Turin.
--------------	-----------

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1 Class III: in Turin.

36. Four resignations of Class II staff have been received this month due to higher permanent positions having been offered to them by private firms.

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 are waiting for Mr. Luzzatto (Chief, Sub-Bureau of Industrial Rehabilitation) to interview and finally approve the several candidates we have available.

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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 43 ships carrying UNRRA cargo have put into the Ports; Genoa (33), Savona (10), 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 Missenaria and Ponzuolo Fornigaro. 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 considerable delay has been noticed in the distribution of sugar, carrots, tomatoes, potatoes, cabbage, which are occupying space for approximately 8500 tons. The movement of these foods 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 sugar this will be distributed during August and September in accordance with the Welfare program which is in preparation).

RELATIONS WITH THE ITALIAN GOVERNMENT AND OTHER AGENCIES.

43. Our increased shipping in the Port has brought forth greater cooperation among the Government Organizations handling UNRRA merchandise and the various shipping agents.

44. Cordial and solid working arrangements exist between ourselves and all Italian Government Departments in the Region.

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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 serious delay has been noticed in the distribution of soap, carrots, tomatoes, potatoes, cabbage, which are occupying space for approximately 8500 tons. The movement of these foods 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. Thus foodstuffs are dehydrated and are being held in reserve for the winter when fresh vegetables will be scarce. With regard to the soap this will be distributed during August and September in accordance with the Welfare program which is in preparation).

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Leo Keonigsbert,
Regional Director,
Liguria & Piemonte Region.

CM 6493

Attachment H-7-g.

MONTHLY REPORT OF THE REGIONAL DIRECTOR, LOMBARDIA REGION FORJULY 1945Economic SituationSocial 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 115,191 in October, 1945. All provinces reflected this increase in unemployment except the agricultural provinces of Mantova, which showed a decrease from 20,607 in January to 15,605 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 in 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 reduced 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 handicap all efforts towards more satisfactory industrial rehabilitation. It is unquestionable that the situation would be infinitely worse were it not for ENRRA's contribution in coal and raw materials. The metallurgical

was approximately 310,000 out of a population of about 1,000,000, compared with 303,200 unemployed in May, 214,240 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 15,606 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).

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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 ENRRA'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.

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,

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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 massing 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 SERRAL offices in the nine provinces, the individual bread ration was increased to 300 grams per day on an 80% extraction basis. UNRA'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 3 July as a protest against the cut. In Brescia the local paper, "Il Giornale di Brescia", 21 July, rather vaguely hints at "discontent among the masses", describing the problem of bread rationing in terms of undisguised animosity, using such phrases as "the UNRAA forefathers no doubt have reasons of their own for continuing to inter-

black market for sugar and to provide at least the elementary needs of industries which depend upon sugar.

6. Amassi - The marketing of wheat which showed rapid progress from 20 June to 10 July due to the government premiums has shown a tendency to slump, especially in Milan and Pavia provinces in spite of the last premium being extended to the end of July. In these provinces farmers are now beginning rice culture and hay collection and it is hoped that in spite of black market offers from Milan, Genoa, and Switzerland, the authorities are taking a firm stand against the defaulters and bringing about improvements in the near future.
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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 UNRA Regional Protective Office has given and received much greater cooperation than before from police agencies. (For details see report on protective services below).

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WelfareAccomplishments

10. During July 153,830 needy mothers and children were assisted in Lombardia. Additional rations have been requested by various communes and institutes in the provinces.
11. The problem of organizing summer colonies was considerably clarified at a meeting of all provincial secretaries by the Italian Delegation in Milan on 3 July.
12. Preliminary plans have been made for the nutrition conference and the Welfare Division cooperated with the Ministry of Post-War Assistance, the Italian Delegation, and other agencies in formulating plans for an institute.

Problems

13. The major problem during the month was the arrival of additional displaced persons from Venezia Giulia, particularly with respect to housing. The Ministry of Post-War Assistance, in cooperation with the Welfare Division, has made every effort to obtain large buildings, unused factories and army barracks, for these displaced persons without interfering with the industrial and communal needs of the provinces in which they are located. Lombardia is responsible for the care of an additional 10,000 refugees and thus far places have been found for only 5,000. The Welfare Division has rendered assistance, making the necessary contacts with Town Majors, and other Allied personnel are providing transport, and giving consultation service.

Public HealthGeneral Situation

14. The health situation is generally satisfactory in the field of contagious diseases, although there is far more enteric than would ever be tolerated in Britain or the USA. In addition, there has recently been a fair number of anterior poliomyelitis, infantile paralysis, especially in the eastern provinces of Lombardy, and one case of cerebro-spinal 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

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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.

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

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provinces and in some cases have already been distributed. ENDINEA 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. With the province of Como in this region has so far received its quota. With the acceleration that is now expected as the result of the special efforts made by this regional office and the Italian Delegation to get the cotton goods out of the factories more quickly than has been the case, it is expected that the hospitals of this region, too, will receive the very much-needed shipments of hospital cotton goods.

18. Visits to the hospitals of the provinces - The Regional Medical Officer has continued his work in following up the distribution of UNRRA needs to the hospitals. No irregularities were detected except one case involving the illegal sale by the pharmacist of a hospital of UNRRA medicinals to the public. This was detected by the Medico Provinciale, who has sequestered all the material, referred the matter to the Prefect and instituted an inquiry. In addition the case has been referred to the Regional Protective Service Officer.

19. Benzyl Benzoate was distributed to the provinces of Bergamo and Pavia.

20. DDT was distributed to San Vittore prison, to the Comune of Milan, and to UNRRA staff.

21. Arrangements for lectures on venereal disease. Medici Provinciali have been circularized by the High Commissioner for Hygiene and Public Health to collaborate with allied medical authorities in an attempt to reduce the incidence of venereal disease. The Regional Staff Medical Officer, Dr. A.A. Kaluzny, is preparing a series of lectures to be delivered in association with Medici Provinciali, to groups of factory workers, young men's clubs, and the like.

22. Recommendations were made that iodized table salt be made available to the province of Sondrio, where goiter is endemic.

Problems

23. Medical care of UNRRA staff - The Regional Medical Officer has included in his report to Mission HQ the problems involved in adequate medical care for the regional UNRRA staff. Initial steps have been taken and care is now being provided by the Staff Medical Officer to our employees, but further directions are needed from Mission HQ in order to provide ordinary minimal care.

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

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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 KONEGAR 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. La Guardia's visit. Notices to the press were limited to the mere statement that the Director General would be in Milan. At the request of Mission HQ, information office photographers were provided to accompany Mr. La Guardia on his

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28. Usual activities have included review of all local newspapers, press cuttings, compilation of daily press digests in English and Italian, distribution of Economic Notes, exchange of information with representatives of British and American information officers.

29. Mr. Harlan Cleveland was sent press cuttings regarding his visit here, 26 June.

30. The weekly review was compiled.

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

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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 feed problems. Questions among the problems in the feed field at the present time are:

(a) The very serious situation arising from the lack of tin cans for canning the new 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.

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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,

CI 6585

Attachment H-7-hMONTHLY REPORT OF THE REGIONAL DIRECTORVENETO 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 appressed 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 UNERA Venice Region as the strikers, as a special concession, are handling POL to keep it 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 unassing, 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.
9. Targets for July were :
 - (a) C.I.S.I.S. scheme. Mission HQ has agreed to send an official to Veneto Region to study the situation and make recommendations, particularly in regard to loan of transport.

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8. The restlessness of Labor however casts a shadow.
9. Targets for July were :
 - (a) GASAS scheme. Mission HQ has agreed to send an official to Veneto Region to study the situation and make recommendations, particularly in regard to loan of transport.
 - (b) Technical Schools for training unemployed. Provincial reports now completed but too late for circulation and submission in July.
 - (c) Scheme for unification of assistance. No progress to report.
 - (d) Non-distribution of surplus clothing lying in port warehouse. Prospects of an early clearance.
 - (e) Administrative plan for checking distribution of UNRRA supplies. Completed.

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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 harvesting.
- (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 POLIOSEPTIC (infantile paralysis) occurred in certain provinces but immediate measures were taken to segregate the cases and the out-break 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.

Welfare.

16. Summer Colonies have claimed more attention than any other

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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. UNRA'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 Bergamo and Trento, actual distribution has been made. The remaining eight provinces are awaiting receipt of the balance of their allocation.

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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 marketing.
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 missed between 73% and 93% of their quota. One province has turned in 57% of its target figure and the remaining three provinces are down the list due to the uncertain nature of the districts and lateness of the crops.
21. It is difficult to judge the extent of illegal export of grain across the Adriatic sea to the Dalmatian coast but it is feared to be heavy.
22. The network of small rivers and canals just south of Chioggia on the East Coast together with the small number of police available to patrol the area operate in favor of the "black marketeers".
23. Our hopes of exporting surplus fruit to Austria in exchange for much-wanted timber received a setback. Austria is flirting with others in regard to her timber and will only deal with us on a long term credit basis. That is not so good but it does not close the door to further negotiations.
24. Fisheries - There is no material change in this industry. Catches continue to be good but not good enough to force down the high prices in the face of a heavy demand.
25. An increase in fuel allocation to this region in July for fishing craft is a move in the right direction.
26. Coal - July discharge figures for coal at the port show a sharp decrease on those for June. Following an order of the Director of State Railways to freeze supply of wagons for movement of a listed category of goods, in which coal is included, we are faced with a wagon shortage. We are assured that this situation will be adjusted in the next few days.

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27. Spot checks have been made on various consumers and as a result recommendations have been made to reduce some of the allocations.
- Ports.
28. Diversification of shipping from Trieste has greatly increased activity in the Port of Venice. Our resources were strained by the sudden and, to a certain extent, unexpected, arrival of 80,000 tons of cargo in two weeks but the job was completed with little loss of time.
29. On 3 July S.S. "Pittsburgh Lee" carrying 8,000 tons of grain to Venice struck a small floating mine about 30 miles away but was able to make port. Damage to cargo by fuel oil and sea water amounted to about 700 tons, of which 500 tons were suitable for industrial purposes and 200 tons were a dead loss.

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 ship's crew, stowaways, 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 RSP police were "tipped off" by an Italian informer and they acted quickly in recovering these goods which are valued at a little over Lit. three and a half million on the black market.

J.L. Jones,
Regional Director,
Veneto Region.

Appendices:

Appendix A.	Cost of Living Family of 5 - June 1946 v. 1938 - Venice
B.	List of Selected Prices 25 July - Venice.
C.	Unemployment figures - Regional - 31 June 1946.

APPENDIX "A"ESTIMATE OF COST OF LIVING WHICH COULD BE INCURRED BY A FAMILY OF 5IF 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	1987
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	3,535
March	3,477	June	3,401

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

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	1946	1946
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February	3,446	May 3,335
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APPENDIX "B"

MONTHLY REPORT JULY 1948

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	121.05	*
4. Wheat Flour	--	--	33.35	*
5. Maize Flour	15.---	13.50	72.50	*
6. Dry Vegetables:				
Beans	--	--	159.---	139.---
Peas	--	--	90.---	90.---
Potatoes	--	--	24.70	*
Sugar	144.50	160.---	745.---	750.---
Jam	--	--	200.---	206.---
Wine	--	--	71.85	*
11. Olive oil	--	250.---	506.65	*
12. Butter	--	--	525.---	*
13. Lard	--	120.---	425.---	*
14. Salt	25.---	25.---	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	--	--	55.15	40.---
21. Meat:				
Beef (Bones)	--	--	273.35	*
Pork (Bones)	--	--	355.---	*
22. Fish:				
Bol	--	--	273.75	*
Mullet	--	--	257.25	*
Sardine	--	--	200.---	*
Cuttle-fish	--	--	110.---	*
Co	--	--	133.35	*
Scomori	--	--	143.---	*
Milk	--	--	34.---	34.---
Eggs	--	--	16.10	*
23. Cigarettes:				
10 Ital Nazionale	30.---	30.---	40/45	45.---
20 Ital Sorreglio	150.---	150.---	150.---	150.---
20 American	--	--	200/220	200/220

1282

4.	Wheat Flour	15.00	13.50	63.55	139.00	139.00	139.00
5.	Maize Flour	15.00	13.50	72.50	90.00	90.00	90.00
6.	Dry Vegetables:				24.70	24.70	24.70
	Beans				745.00	745.00	750.00
	Peas				260.00	260.00	266.00
7.	Potatoes				72.55	72.55	72.55
8.	Sugar	144.50	160.00	505.55	585.00	585.00	585.00
9.	Jam				425.00	425.00	425.00
10.	Wine				17.15	17.15	20.00
11.	Olive oil		250.00	466.55	375.00	375.00	375.00
12.	Butter		120.00	375.00	375.00	375.00	375.00
13.	Lard		20.00	35.15	35.15	35.15	35.15
14.	Salt	25.00	20.00	35.15	35.15	35.15	35.15
15.	Stock-fish				273.35	273.35	273.35
16.	Soap				355.00	355.00	355.00
17.	Pears				273.75	273.75	273.75
18.	Tomatoes				267.15	267.15	267.15
19.	Onions				200.00	200.00	200.00
20.	Ponches				110.00	110.00	110.00
21.	Meat:				138.35	138.35	138.35
	Beef (Bones)				145.00	145.00	145.00
	Pork (Bones)				34.00	34.00	34.00
22.	Fish:				16.10	16.10	16.10
	Eel				40/45	40/45	45.00
	Mullet				150.00	150.00	150.00
	Sardine				200/220	200/220	200/220
	Cuttle-fish				150/200	150/200	150/200
	Go.				1000/1100	1000/1100	1000.00
	Scombr				800.00	800.00	800.00
23.	Milk						
24.	Eggs						
25.	Cigarettes:						
	10 Ital Nazionali	30.00	30.00				
	20 Ital Serraglio	150.00	150.00				
	20 American						
	20 English						
26.	Coffee beans						
	toasted						
27.	Coffee beans raw						

(*) Prices not yet received by this office.

OM 8805

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		Total
	MF	F	MF	F	MF	F	
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

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APPENDIX "C"

UNEMPLOYMENT FIGURES REGIONAL - 30 JUNE 1946

limited to persons inscribed in the Provincial Employment Office)
(and therefore not representative of total unemployment)

	Agriculture		Industry		Commerce		Vario		Total Amount	
	F	MF	F	MF	F	MF	F	MF	JUNE	MAY
	5	4	5	6	7	8	9	10	11	
41	80	11799	315	801	398	724	259	14065	14344	
24	2	1357	76	857	532	877	453	3115	2795	
40	1127	17925	2939	1781	399	1851	547	25997	24894	
63	237	6773	869	435	74	1766	277	9837	14305	
67	106	6595	1047	1425	680	4601	523	13788	12130	
30	70	25466	4685	2175	225	1519	348	30790	30245	
26	125	45951	1682	3376	300	2991	978	54044	55477	
58	42	19678	2663	2052	699	4733	1878	27421	25582	
270	192	12634	3078	1265	222	2365	1091	17534	17603	
29	696	27586	7999	2040	392	4344	1518	36699	36566	
548	2677	175764	25353	16207	3921	25771	7872	233290	253941	

CM 6605

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 Venetian 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 harvesting, 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.
9. Targets for July were :
 - (a) C.I.S.S. scheme. Mission HQ has agreed to send an official to Veneto Region to study the situation and make recommendations, particularly in regard to loan of transport.

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9. Targets for July were :
 - (a) C.I.S.S. scheme. Mission HQ has agreed to send an official to Veneto Region to study the situation and make recommendations, particularly in regard to loan of transport.
 - (b) Technical Schools for training unemployed.
Provincial reports now completed but too late for 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 plan for checking distribution of UNRRA supplies.
Completed.

-2-

10. Targets for August will be :

- (a) Further action on CASAL scheme.
- (b) Coordination and submission of reports on technical training for unemployed.
- (c) To watch progress of grain harvesting.
- (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.

Welfare.

16. The welfare of the population is being given more attention than ever before.

(c) To make inspection of areas treated by DDT under the Anti-Malarial scheme.

SERVICES PROVIDED WITH UNRRA RESOURCES.

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11. The general health situation in all 10 provinces of Venice Region is good.
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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.

CM 6586

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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 marketing.
20. The results so far achieved in this region are highly satisfactory. In one province the quota as fixed by the Departmental Inspector of Agriculture has been exceeded. Five other provinces have missed between 73% and 93% of their quota. One province has turned in 57% of its target figure and the remaining three provinces are down the list due to the mountainous nature of the districts and lateness of the crops.
21. It is difficult to judge the extent of illegal export of grain across the Adriatic sea to the Dalmatian coast but it is feared to be heavy.
22. The network of small rivers and canals just south of Chioggia on the East Coast together with the small number of police available to patrol the area operate in favor of the "black marketers".
23. Our hopes of exporting surplus fruit to Austria in exchange for much-wanted timber received a set back. Austria is flirting with others in regard to her timber and will only deal with us on a long term credit basis. That is not so good but it does not close the door to further negotiations.
24. Fisheries - There is no material change in this industry. Catches continue to be good but not good enough to force down the high prices in the face of a heavy demand.
25. An increase in fuel allocation to this region in July for fishing craft is a move in the right direction.
26. Coal - July discharge figures for coal at the port show a sharp decrease on those for June. Following an order of the Director of State Railways to freeze supply of wagons for movement of a listed category of goods, in which coal is included, we are faced with a wagon shortage. We are assured that this situation will be adjusted in the next few days.
27. Spot checks have been made on various consumers and as a result recommendations have been made to reduce some of the allocations.

have amassed between 175 and 225,000 tons of grain. This 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.

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27. Spot checks have been made on various consumers and as a result recommendations have been made to reduce some of the allocations.

Ports.

28. Diversion of shipping from Trieste has greatly increased activity in the Port of Venice. Our resources were strained by the sudden and, to a certain extent, unexpected, arrival of 80,000 tons of cargo in two weeks but the job was completed with little loss of time.

29. On 3 July S.S. "Pittsburgh Lee" carrying 8,000 tons of grain to Venice struck a small floating mine about 30 miles away but was able to make port. Damage to cargo by fuel oil and sea water amounted to about 700 tons, of which 500 tons were suitable for industrial purposes and 200 tons were a dead loss.

CA 6588

Protective Services.

30. The increase in part activity in Venice has created a corresponding increase in the work of this branch.

31. Petty pilfering is always difficult to control but when ship's crew, stowaways, 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 RUP police were "tipped off" by an Italian informer and they acted quickly in recovering these goods which are valued at a little over Lit. three and a half million on the black market.

J.L. Jones,
Regional Director,
Veneto Region.

Appendices:

Appendix A. Cost of Living Family of 5 - June 1946 v. 1938 - Venice
" B. List of Selected Prices 25 July - Venice.
" C. Unemployment Figures - Regional - 31 June 1946.

APPENDIX "A"

ESTIMATE OF COST OF LIVING WHICH COULD BE INCURRED BY A FAMILY OF 5

IF THEY HAD THE MEANS - JUNE 1946 V.1938 -

VENICE (1938-100)

MONTHS	Food	Clothing	Rent	Fuel & lighting	General expenses
Year 1938 (monthly average expenditure)	100	100	100	100	100
January 1946	3483	3386	102	970	2234
February "	3184	3155	143	908	1957
March "	3394	2904	143	951	2240
April "	3742	2916	143	934	2241
May "	2220	2971	143	920	2177
June "	3243	2823	143	925	2294

These are provincial figures of the Central Statistical Institute, Rome.

The official index basis on intake of 1,700 calories per head per day for food for the Venice Region are as follows:

	1946	1946
January	3,656	April 3,832
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.

MONTHS	Food	Clothing	Rent	Lighting	Capitulum
Year 1938 (monthly average expenditure)	100	100	100	100	100
January 1946	3483	3386	102	970	2234
February	3184	3155	143	908	1957
March	3394	2904	143	951	2240
April	3742	2916	143	934	2241
May	2220	2971	143	920	2177
June	3243	2823	143	925	2294

These are provincial figures of the Central Statistical Institute, Rome.

The official index basis on intake of 1,700 calories per head per day for food for the Venice Region are as follows:

	1946		1946
January	3,656	April	3,812
February	3,446	May	3,335
March	3,477	June	3,401

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

CM 6605

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APPENDIX "B"

MONTHLY REPORT JULY 1948

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	121.55	*
4.	Wheat Flour	--	--	83.35	*
5.	Maize Flour	16.---	15.50	72.50	*
6.	Dry Vegetables:				
	Beans	--	--	139.---	139.---
	Peas	--	--	90.---	90.---
	Potatoes	--	--	24.70	*
7.	Sugar	144.50	160.---	745.---	750.---
8.	Jam	--	--	200.---	206.---
9.	Wine	--	--	71.55	*
10.	Olive oil	--	230.---	506.65	*
11.	Butter	--	--	585.---	*
12.	Lard	--	120.---	425.---	*
13.	Salt	25.---	20.---	17.15	20.---
14.	Stock-fish	--	--	406.65	*
15.	Soap	--	--	375.---	*
16.	Pears	--	--	--	35.---
17.	Tomatoes	--	--	39.75	10.---
18.	Onions	--	--	9.35	9.35
19.	Peaches	--	--	35.15	40.---
20.	Meat:				
	Beef (Bones)	--	--	270.35	*
	Pork (Bones)	--	--	365.---	*
21.	Fish:				
	Eel	--	--	270.75	*
	Mullet	--	--	257.15	*
	Sardine	--	--	200.---	*
	Cuttle-fish	--	--	110.---	*
	Go:	--	--	138.35	*
	Scorpi	--	--	145.---	*
	Milk	--	--	34.---	34.---
23.	Eggs	--	--	16.10	*
24.	Cigarettes:				
	10 Ital Nazionali	30.---	30.---	40/45	45.---
	20 Ital Sorraoglio	150.---	150.---	150.---	150.---
25.	20 Italian	--	--	200/220	200/220

3.	Rice	35.50	35.50	11.00	*
4.	Wheat Flour	--	--	03.35	*
5.	Maize Flour	16.00	13.50	72.50	
6.	Dry Vegetables:				
	Beans	--	--	130.00	139.00
	Peas	--	--	90.00	90.00
7.	Potatoes	--	--	24.70	*
8.	Sugar	144.50	160.00	745.00	750.00
9.	Jam	--	--	260.00	206.00
10.	Wine	--	--	71.56	*
11.	Olive oil	--	250.00	500.65	*
12.	Butter	--	--	585.00	*
13.	Lard	--	120.00	425.00	*
14.	Salt	25.00	70.00	17.15	20.00
15.	Stock-fish	--	--	406.65	*
16.	Scap	--	--	378.00	*
17.	Pears	--	--	--	35.00
18.	Tomatoes	--	--	59.75	10.00
19.	Onions	--	--	9.35	9.35
20.	Peasakes	--	--	38.15	40.00
21.	Meat:				
	Beef (Bones)	--	--	273.35	*
	Pork (Bones)	--	--	355.00	*
22.	Fish:				
	Eel	--	--	273.75	*
	Mullet	--	--	257.15	*
	Sardine	--	--	200.00	*
	Cuttle-fish	--	--	110.00	*
	Go'	--	--	138.35	*
	Scombril	--	--	145.00	*
23.	Milk	--	--	84.00	31.00
24.	Eggs	--	--	16.10	*
25.	Cigarettes:				
	10 Ital Marlboro	30.00	30.00	43/45	45.00
	20 Ital Serraglio	150.00	150.00	150.00	150.00
	20 American	--	--	200/220	200/220
	20 English	--	--	180/200	180/200
26.	Coffee beans				
	toasted	--	--	1000/1100	1000.00
27.	Coffee beans raw	--	--	800.00	800.00

(*) Prices not yet received by this office.

OM 8805

1277

APPENDIX "C"

UNEMPLOYMENT FIGURES REGIONAL - 30 JUNE 1946
 (Limited to persons inscribed in the Provincial Employment Office)
 (and therefore not representative of total unemployment)

Provinces	Agriculture		Industry		Commerce		Varia	
	MF	F	MF	F	MF	F	MF	F
1	2	3	4	5	6	7	8	9
1. BELLUNO	741	80	11799	315	801	398	724	25
2. BOLZANO	24	2	1357	76	857	532	877	45
3. PADOVA	4440	1127	17925	2939	1781	399	1851	64
4. ROVIGO	863	237	6773	869	435	74	1766	23
5. TRENTO	1167	106	6595	1047	1425	680	4601	52
6. TREVISO	1630	70	25466	4685	2175	225	1519	34
7. UDINE	1726	125	45951	1682	3376	300	2991	97
8. VENEZIA	958	42	19678	2663	2052	699	4733	182
9. VERONA	1270	192	12634	3078	1265	222	2365	109
10. VICENZA	2729	696	27586	7999	2040	392	4314	153
REGIONAL TOTAL	15548	2677	175764	26353	16207	3921	25771	787

APPENDIX "C"

UNEMPLOYMENT FIGURES REGIONAL - 30 JUNE 1946

(Limited to persons inscribed in the Provincial Employment Office)
(and therefore not representative of total unemployment)

Agriculture		Industry		Commerce		Varia		Total Amount	
MF	F	MF	F	MF	F	MF	F	JUNE	MAY
3	4	5	6	7	8	9	10	11	
741	80	11799	315	801	398	724	259	14065	14344
24	2	1357	76	857	532	877	453	3115	2795
4440	1127	17925	2939	1781	399	1851	547	25997	24894
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15548	2677	175764	25353	16207	3921	25771	7872	233290	253941

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

Code	Commodity Group	Acquisitions	Issues	
			It. Govt.	Field Op
	1	3	5	6
010	Grains, Cereals & Preparations	200,346	200,112	2
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 Cements	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 4670	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	

REPORT UNIT - ITALIAN MISSION H-4 FORM S-50

Month July 1946

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Group	Acquisitions	Issues	
		It. Govt.	Field Operations
	3	5	6
Reparations	200,316	200,112	234
	4,500	4,500	
	972	961	11
ota	8,022	8,000	22
Products	1,209	1,168	41
ota	2,951	2,933	18
	25,413	25,387	26
	12,860	12,846	14
	354	354	
s,	5	5	
	116	116	
erials	189	139	
	3,990	3,990	
ren	399	399	
Equipment	24	24	
	270	270	
	3,152	3,152	
	102	102	
icals	341	341	
inery	49	49	
	78	78	
	473,486	473,486	
	15,005	15,005	
	151	151	
erials	2,443	2,443	
	2,189	2,189	
	2,203	2,203	
	<u>760,819</u>	<u>760,453</u>	<u>366</u>

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

UNRRA

Country, Italy
Month covered by
report, July 1946A. Distribution of Supplies.

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

4. a. Supplies received from UNRRA by outright transfer and distributed by the Government:

1. Total turned over by the Government for further distribution (sum of items a-e)
- (a) To private distributive trade channels: Nil
 - (b) To industrial users including government 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	<u>32,392</u>

1,121,603

4. a. Supplies received from UNRRA by outright transfer and distributed by the Government:

1. Total turned over by the Government for further distribution (sum of items a-e)
- (a) To private distributive trade channels: Nil
 - (b) To industrial users including government enterprise for further processing: Nil
 - (c) To non-profit voluntary agencies (list): Nil
 - (d) To cooperative distributions: Nil
 - (e) To Governmental distribution agencies (list): Instituto Comercio Exterior.

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	<u>32,395</u>
	3,351,603
	=====

2. Stocks on hand in Government's control not yet released to above agencies for distribution: Nil

3. Total received (sum of items 1 and 2): 3,351,603 Long Tons.

4. Equipment (not included in Item 4.a.) leased by Government from UNRRA, total to date: Nil.

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-2- Att. H-9

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 Liro

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

1. Proceeds of Sale of Supplies under 4.c.(1) 10,379,243,892 Liro
P.O.L. (150,000,000 Liro per month 1 April to 31 July, 1946 on account of Sales until actual determination) 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 Liro Fund 631,155,220

Retained by C.I.F. on account of distribution costs for P.O.L. during February and March, 1946 yet to be determined 1,214,068,693

Distribution costs of seed potatoes 119,590,600

Quota for equalising unified prices of imported seed potatoes 111,672,815

Balance paid in to Special Proceeds of Sale Account 3,744,014,945 "

8,114,924,472 "

2. Amounts expended out of

393,232 metric tons

which no proceeds have been received. Same of these supplies have already been distributed and it is anticipated that proceeds in respect of all will be received in due course.

(3) Proceeds received by Italian Government in respect of sales under A.C.(1) 10,379,243,892 Liro

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

1. Proceeds of Sale of Supplies under A.4.c(1) 10,379,243,892 Liro
P.O.L. (150,000,000 Liro per month 1 April to 31 July, 1946 on account of Sales until actual determination)
Coal (on account of Sales June 1946)

600,000,000 "
909,695,525 "
11,888,939,117 "

Loas: 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 Liro Fund 631,155,220

Retained by C.I.F. on account of distribution costs for P.O.L. during February and March, 1946 yet to be determined 1,214,068,693

Distribution costs of seed potatoes 119,590,600

Quota for equalising unified prices of imported seed potatoes 111,672,815

Balance paid in to Special Proceeds of Sale Account 3,744,041,945

8,114,924,472 "

2. Amounts expended out of Proceeds under B.1 above URENA 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 "

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-3- Att. H-3

C. REGISTRATION, REHABILITATION AND CARE OF DISPLACED PERSONS

Items C-1 through C-5 are covered in Attachment H-6-a(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 Lucco 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: 10,591
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. As.)
a. Displaced Persons	56	255	51
b. Health	10	28	-
c. Welfare	12	9	6
d. Agricultural Rehabilitation	16	25	-
e. Industrial Rehabilitation	34	79	-
f. Requirements & Supply (excluding Divs. of Inland Transp., Indust. Rehab. & Agr. Rehab.)	88	130	-
g. Inland Transport (Bur. of A. & D.)	5	8	-
h. Camps Operations	94	478	-
i. Finance & Administration (except Divs. of Personnel & Vehicle Control & Maintenance)	85	469	-
j. Personnel	10	38	-
k. Vehicle Control and Maintenance	15	813	-

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: 40,594
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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 Transp., Indust. Rehab. & J.P. Rehab.)	88	130	-
g. Inland Transport (Bur. of A. & D.)	5	8	-
h. Camps Operations	94	478	-
i. Finance & Administration (except Divs. of Personnel & Vehicle Control & Maintenance)	85	459	-
j. Personnel	10	38	-
k. Vehicle Control and Maintenance	15	843	-
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

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Att. H-9

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D. 2. Nationalities of Class I Employees as of July 31, 1946.

American	206
Australian	3
British	282
Canadian	13
Denish	3
Egyptian	1
French	2
Greek	1
Iceland	1
Indian	3
Italian	1
Iranian	1
New Zealand	3
Palestinian	8
Polish	2
Russian	3
El Salvadore	1
South African	27
Stateless	3
Swiss	2
Yugo-Slav	1
Total	<u>567</u>

D.3. Employment of Personnel as of 31 July, 1946 by Sex

Sex	CLASS I	CLASS II	CLASS III
Male	369	2,484	74
Female	198	953	57
	<u>567</u>	<u>3,334</u>	<u>111</u>

D.4. Employment of Class I Personnel as of 31 July, 1946 by Grade

Canadian	13
Denish	3
Egyptian	1
French	2
Greek	1
Iceland	1
Indian	3
Italian	1
Iranian	1
New Zealand	3
Palestinian	8
Polish	2
Russian	3
El Salvador	1
South African	27
Stateless	3
Swiss	2
Yugp-Slav	1
Total	<u>567</u>

D.3. Employment of Personnel as of 31 July, 1946 by Sex

Sex	CLASS I	CLASS II	CLASS III
Male	369	2,481	74
Female	198	853	37
	<u>567</u>	<u>3,334</u>	<u>111</u>

D.4. Employment of Class I Personnel as of 31 July, 1946 by Grade

Grade	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Grade 1	-	-	-	-	-	1	-	-	-	-	52	11	-	-	-	45
" 2	-	-	-	-	-	1	7	-	-	-	74	12	-	-	-	32
" 3	-	-	-	-	-	1	-	-	-	-	83	"	13	-	-	10
" 4	-	-	-	-	-	58	-	-	-	-	86	"	14	-	-	4
" 5	-	-	-	-	-	43	10	-	-	-	71	"	15	-	-	1

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