

Regd. No.

UNRRA (EUROPEAN REGION).

OG. 45/13.

Date of Paper	FROM WHOM
	RECORD
Date Registered	SUBJECT
25.7.47.	ALLEGATIONS AGAINST UNRRA ADMINISTRATION - ITALY

NOTE. This file must always be passed on VIA the REGISTRY.

(49102D) Wt: P768/276 5x 8/45 H J R & L Gp 51

Referred to	Date	Referred to	Date	Referred to	Date
Miss Stephens	31.12.47.				
P.A.	15.1.48				
Miss Newington ✓	11.5.48.				

NOTE.—Do not retain this File unnecessarily.

(97627) W1.P.471/23 5,000 7/44 A. & E.W.Ltd. Gp.745



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Sir Humphrey Gale

11 November 1945

For information

PRIVATE AND CONFIDENTIAL

Sir George Mendel
Rome

Dear Sir George:

Since my letter of 27 October about cable 664 from London, I have had an opportunity to read the full text of the letter which you brought with you. The letter contains a good deal of comment not included in the cable summary so that I should like to add to my comments of 27 October.

1. Insofar as this letter argues for economy and for placing the maximum responsibility on the Italians wherever they can carry it, I am in entire agreement. The supervisory staff that have been working with this Mission are the best judges as to whether we have followed this policy, which I have enunciated from the beginning. The auditors should be competent judges as to how well we are succeeding.

2. If the purpose of the letter is to press for economy and rapid transfer of responsibility to the Italians, these points might have been made much more effectively if the letter had been kept free from comments which, apparently, reflect personal spite and from illustrations which convey less of fact than of innuendo.

3. I should like to comment on a number of specific points:

a. (Re first, unnumbered paragraph of letter concerning visits of Congressmen)

We have had visits, not exactly of hordes, but of approximately thirty, mostly in groups of half a dozen. They have usually given from one to three hours to UNRRA, which was usually spent in "hearings" arranged by the American Embassy and attended only by Americans. Our "hearings" were usually in company with delegates from the Allied Commission. Since most of these "hearings" were off the record, it is difficult to determine who the writer knows what the Chief of Mission told the Congressmen. Our reports to the Congressmen have included folders giving copies of our monthly reports (e.g., for August).

The bit of word painting about the Chief entertaining the Congressmen "with song and dance" is, regrettably, a bit overdrawn. The reference is, apparently, to an occasion when several Italian employees were invited, at the request of one of the Congressional party who happened to be an old classmate of mine, to sing several Italian songs. Several

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of the employees also sang for Sir Humphrey Gale.

b. (Re paragraph numbered 1)

This paragraph opens with a sweeping indictment about the motives of the "leading men". The development of the paragraph, however, turns out to be an attack on a single person, Major Hodgetts. The record of Major Hodgetts is attached. The insinuation that he has "recently managed to secure the position of Deputy Chief of Mission" is entirely unwarranted. He came to us with Captain Lucas, who subsequently became Chief Accountant of the Washington Headquarters office and who recommended Major Hodgetts highly. This recommendation was concurred in by Mr. Tomkinson (Br.), who was then our adviser responsible for accounts in this area. Since that time Major Hodgetts' work has been inspected by the Treasurer of UNRRA and by the internal and external auditors. His work has been commended by the London office, and the accounting of the Italian Mission was singled out by our external auditors (Deloitte, Plender, Griffiths & Co.) in their official report to the UNRRA Council.

Last June Major Hodgetts was transferred to the Greece Mission at the urgent request of Commander Jackson acting for Governor Lehman and was made Deputy Chief of the Greece Mission at the salary he now gets. I was reluctant to let him go, but agreed to do so because of the urgency of the Greek situation, on the understanding that when a satisfactory replacement could be found, I had the option of recalling him. This I did as of approximately 1 October. His appointment as Deputy Chief to this Mission was reviewed in Washington and London by the persons who knew his work, and his appointment was fully concurred in.

The reference to the "strangle-hold" which the Finance and Administration Bureau is alleged to have on the other Bureaus' activities is contrary to fact. The Bureau of Finance and Administration has no veto power on the activities of the other Bureaus. It has, however, my full support in effecting economies and in requiring orderly controls on the expenditure of monies. For example, the requirement that jeeps be turned in at the close of the office day resulted in a very substantial saving of petrol and an even more substantial saving of drivers' pay. Previous to this requirement, in spite of instructions, various staff members had developed the habit of keeping their jeep and driver for evening assignments. (For the hours after business, the driver was paid time and one-half.) It was not pointed out by the writer of this letter that the Rome garage provides taxi service for people who need it.

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c. (Re paragraph numbered 2) (On salaries)

I am inclined to agree that UNHRA salaries, on the whole, are too high, and I dislike the system which places British and American salaries on different levels in the same organization. In fact, this Mission requested that the salary of the lower-paid British staff be increased \$100 above the scale then set. The general matter of salary levels and of having two scales for American and British is one beyond our control in this Mission. It is one determined at Headquarters. Our salaries are determined by the classification of the job. A recent review of our classifications shows that we were below average rather than above.

As to the reference about the staff openly bragging about their salaries, this is, of course, indefensible, if true. The only instance which has come to my attention was that of a British officer employed by us, who had given an optimistic statement about his salary while he was in an expensive mood. He was not getting the salary he mentioned, but he was, of course, reprimanded for mentioning the matter at all.

d. (Re paragraph numbered 3 concerning the size of the Bureau of Finance and Administration)

This point has already been answered by Major Hodgetts. The mere counting of names is, of course, no index as to the correct size of such a Bureau when there are included all the transportation staff needed to build a transportation organization out of used army or captured cars in a situation where the Government representatives working with us are not only unable to help us, but have to come to us not only for cars but for tires, spare parts and petrol.

The letter is quite correct in stating that the Bureau of Finance and Administration is increasing in size. The reason for that is that we are preparing to accept the responsibility for a \$450,000,000 relief operation. The budget has been prepared with the assistance of the ERO office in accordance with agreements reached with Air Commander Warburton and General Lewis and other consultants. The structure has been subjected to detailed scrutiny and, in general, approved by ERO.

As for the charge that office space is excessive, you have seen our offices, which are concentrated almost entirely on one floor of the building in which we are situated. Since that building is under AFHQ control and our space occupancy must have Army approval, the space occupied has to be justified by quite rigid standards. It is anticipated that the complete operation for the expanded program, which will control

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the expenditure of nearly \$500,000,000, will occupy three floors of one building. No charge of excessive demands for space has ever been raised by the Italian Government.

e. Re paragraph numbered 4)

The comments about transport have already been commented upon by Mr. Carson. The references are limited to administrative transport. The lack of transport has created many inconveniences. This Mission has received a total of seven personnel cars shipped into the country for UNRRA since the beginning of this operation. We had approximately one hundred employees before we had any personnel transport whatever except one staff car borrowed from AFHQ. It was not until May that we were able to borrow the first jeeps from the Army to help get our staff into the field. Since then we have built up a fairly good transportation system with jeeps and captured cars. We had to take these vehicles in the condition we found them. To build a transportation division from nothing has not been easy, and the arrangements have not always been satisfactory. The organization has, however, steadily improved and will improve still further as we are able to get adequate personnel from the Army. The grounds for criticism by the field staff are, however, much more valid than those in the Rome office.

The reference to "cartoons" in the Union Jack. There has been only one such cartoon, a copy of which is attached. The cartoonist is a friend of UNRRA and did what we thought was a delightful sketch of a local transport problem. The artist knew of our previous troubles with transport and was sharing our joy in having some transport for a change. (Incidentally, the reference to "huge" Plymouths was not made by a sound analyst of American types of cars. A Plymouth falls in the lowest price class of all American cars. We had requested Plymouths for personnel use. These were unavailable, and six Hudsons were provided instead. The Hudsons cost about \$50 apiece more than Plymouths.)

The allegation that transport has been used to haul potatoes for the Vatican has been investigated. The reference is, apparently, to the transporting of four truck-loads of potatoes, a distance of forty miles for a local monastery of the Passionist Fathers. This monastery has been operating a small relief program for the Rome poor and had previously received assistance in transport from the Allied Commission. When they needed their potatoes moved, the Allied Commission was unable to spare the transport and Admiral Stone's office asked us whether we could assist. The four truck-loads were brought to Rome by trucks coming from the north, which would otherwise have returned empty. If one were to comment on this type of procedure, it is that we do too little of it.

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f. (Re paragraph numbered 5)

The distribution plans for UNRRA food are described as "unreal and excessively costly". The plan adopted was carefully worked out in collaboration with Colonel Legg (Br.), Head of the Food Subcommittee, Allied Commission; the High Commissioner for Food, the Italian Delegation and our own staff.

The expenditure for supplies for this feeding is estimated at \$36,000,000. The payroll of the entire welfare staff, which does many other things besides supervising feeding, is at the rate of about \$160,000 a year. This is less than one-half of one per cent of the commodities handled. The Italian payroll is on a similarly modest scale. The criticism that the secretary of the Provincial Committee is paid challenges the expenditure of approximately Lit. 10,000 a month for this important control point—slightly more than an Italian stenographer is paid in Rome. Lit. 10,000 a month is nominally £25, but the purchasing power is approximately £8.

The proposal that this feeding could be distributed through the usual rationing channel is fallacious because our food supplies permit us to feed only one child in six. It is possible that a preferred ration card can be used next year where ~~our~~ food is issued—which is done when facilities do not exist for distributing cooked food. The work of selection will, however, have to be done as before.

The allegation that the "comparative cost of food and cost of distribution would be frightening" on the grounds cited above seems to me nonsense. The costs of transport are the same no matter how the food is distributed. Nearly all of the local administration is done by officials as part of the job or by unpaid members of committees.

The comment that "the amounts of UNRRA rations are so small as to be fractional" is unintelligible to me. For the child receiving food, the amount is from one-third to one-half of what the child needs and amounts to about 750 calories on the average and supplements about 800 or 900 calories received through the official ration. The balance of a minimum 2000 calories has to be made up from local vegetables and other foods. The total quantity of food involved in the program is approximately 200,000 tons. This is, of course, a small proportion of the total food requirements of the country, but it is an amount by no means infinitesimal.

g. (Re paragraph numbered 6)

The arrangements envisaged for the program taken over by the Allied Commission is a continuance of the arrangements

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worked out by the Allied Commission and the Government, modified as rapidly as possible in the direction of increased responsibility by the Italian Government. Anyone familiar with the losses sustained by the Military in delivering supplies into this country will be concerned that the controls are adequate to assure that the commodities are adequate to assure that the commodities reach their proper destination. The Government has repeatedly requested more assistance in maintaining these controls to prevent theft. Our policy has been and will be to turn over responsibility to the Italian Government at every point consistent with reasonable safeguards against losses.

h. (Re paragraph numbered 7)

The comments about the hotel situation are based on inadequate information. Because of the probability that AFHQ will move to Rome, UNRRA has had great difficulty in getting satisfactory hotel accommodations for its personnel. A middle class hotel, the Savoia, has been procured with the assistance of the American Ambassador. A second is being sought. As soon as it is found, we shall give up the Esperia, which has been repeatedly condemned by our Health Division because of inadequate kitchen and plumbing facilities. It will be remembered that all of our staff have lived for many months in the hotel which is so disparagingly described.

It is not desired to suggest that all of the many arrangements for living, transportation and offices have been carried out impeccably. Changes have had to be made on very short notice because we have been under Military control. We are hoping to make progress in satisfying everybody by placing the planning of further moves in the hands of a committee of the groups concerned. In addition, we have strengthened our Personnel Division and will have a channel through which any personal problems can be poured into a sympathetic ear. This step is necessary because the expansion of the work makes it impossible for me to give personal attention to these matters except in extreme cases.

If there are additional points raised in this letter that I have not covered to your satisfaction, please raise them. Occasional criticism is a good thing for a person and for an organization. We think that we have already corrected most of the matters subject to legitimate objection and shall keep working at the remainder.

Sincerely yours,

SMKEENY/rw

S. M. Keeny
Chief, UNRRA Italian Mission

Attachments:

1. Maj. Hodgetts' record
2. Cartoon from Union Jack

British Embassy,
ROME.

30th October, 1945

Private and Confidential.

Dear Mr. Keeny,

As arranged when we met this afternoon, I enclose a copy of the letter to Miss Ellen Wilkinson, which was sent privately by the Minister of State, and of which you have already ~~re~~ had a summary. I have not yet had time to look into it again, and I do not think you need trouble yourself about it unduly, but it would, of course, be satisfactory to clear up any points which may seem to have some kind of prima facie foundation.

I wonder whether you could very kindly let me have this copy back when I return to Rome next week, as it is the only one I have.

Yours very sincerely,

(Sgd.) George Rendel.

Mr. S.M. Keeny,
Chief, UNRRA Mission to Italy,
ROME

COPY.

Extract of letter received by Miss Ellen Wilkinson and
forwarded to Minister of State on 11th October, 1945.

"So much seems to me to be going wrong with this Mission and there is such criticism by good people of the administration and in general that I feel that before an expanded programme is agreed upon and financed, certain investigations should be carried out: congressmen visit in hordes but don't really get into each division and talk to the staff: they are probably ignorant of the kind of questions they should ask; they only meet the Chief who calls in some of the Italian secretaries to entertain them with song and dance. (This is a fact). Why can't we have British M.P.s and then surely some of us could suggest lines of investigation? I'm not at all sure that it isn't too late but when I read how difficult finance is going to be for the Government at home I get angry at the waste of money here and don't feel that it's a necessary expense at the moment. I could write much more, but perhaps from the attached you'll get some idea as to whether some independent enquirers from England shouldn't be sent."

COPY.

Points to which attention should be drawn:-

1. The UNRRA concepts, aims and objects do not permeate the administration nor colour the motives of the leading men, especially in the Finance and Administration Division, which now has a strangle-hold on the other division activities. This is difficult to support by factual data as it is something gleaned from expressions of opinion on the various activities of UNRRA in Italy, from the behaviour and opinion of small men (who do not wish to return to England and who after visiting the London Office return and say that "England looks shabby - needs a new coat of paint - I'm not going back") who are earning salaries quite out of proportion to what they could command at home. They are only concerned about their own salaries and have pushed these up in an amazing manner (this can be proved quite easily). They are the worst ambassadors we could have and possibly the most dangerous of this group has recently managed to secure the position of Deputy Chief of Mission: if the planned expanded UNRRA programme is put into effect (i.e. if the money is made available) it will be a great pity.
2. Salaries are on the whole far too high and the difference in British and American salaries is unjust to the British: staff openly brag about what salary they are receiving and one hears UNRRA staff (released from the Army and A.C.) encouraging their pals, regardless of qualifications, to come to UNRRA - "I'll see you get a job at £....." - and that is no idle boast - they do.
3. Finance and Administration division is top heavy; in the H.Q. office it is 33% of the total (from a rough count of the telephone directory it is 86 out of 257). It increases daily: at present two young ladies and a South African officer (one a historian, one an economist) are engaged on a special report as to why there is a bottle neck in the distribution of food! Yet! challenged on plans of distribution or cost of distribution by press or congressmen or any other enquirer they would be given glowing accounts on massive statistical forms. The administrative staff is out of all proportion to the actual working or field staff - mainly nurses, doctors, and welfare workers - and it appears that a huge and costly structure is being created which is going to be of no use to the Italians once UNRRA pulls out. Office space increases every day and as this is provided by the Italian Government they presumably pay the requisitioning costs.
4. UNRRA transport is becoming an open scandal. All kinds of complaints and rumours pass round the office and are even heard outside: there is certainly mal-practice sufficient to justify investigation. Among the charges heard are the following, that worthless jeeps have been purchased, that a gift of a car has been made to an UNRRA staff member but an account presented to UNRRA, that UNRRA transport is made available to A.C. officers for personal use when it is urgently required by UNRRA staff, that transport has been used to haul potatoes for the vatican when it has its own transport. Every division head has a huge Hudson or Plymouth which is available after office hours for personal use but "all assigned jeeps which are of course allocated on the basis of business necessity will be dismissed as at close of business on any day and cannot be used for recreational purposes after business hours by the assignees." The jokes at the expense of UNRRA and its fleet of cars has even got as far as cartoons in the Union Jack.
5. The distribution plans for UNRRA food are unreal and the cost must be out of all proportion to the amount of food distributed. A welfare staff is maintained in the field and at headquarters to control the setting up of provincial and communal committees which in turn control the distribution of food. Administrative Orders are jointly agreed upon by the Welfare Division and the Italian Delegation (which latter is growing and duplicating the duties of the Welfare Officers as inspectors of provincial committees and as inspectors of distribution) and the Provincial committees appoint a paid secretary who carries out these orders and fills up complex statistical return forms. The

secretaries in various provinces have met and agreed that these forms are too complex for a weekly return - they want a monthly return. Welfare officers (in many instances highly trained) are used to worry the lives of the local secretaries when if the food was put into the ordinary rationing system, i.e. handed to the Government, and a system of spot check or inspection substituted for which highly trained staff would not be required, the Welfare workers could then be free to energise existing social agencies and community activities. At present they are the distribution and statistical end of a supply programme. Figures showing comparative cost of the food and cost of distribution would be frightening - the amounts of UNRRA rations are so small as to be fractional.

6. Agriculture - industry - public works are envisaged in the expanded programme; this means in effect that as A.C. pulls out UNRRA pulls in and further expansion of finance and administration of UNRRA takes place; existing government machinery should be used and specialists or technicians in the various spheres attached to the Ministries if the Government so desires - in this way there is little or no administrative duplication.

7. At present UNRRA Headquarters staff is living in the Esperia Hotel along with Voluntary Society members, some A.C. and Embassy secretaries. Accommodation is insufficient and not good enough. Instead of taking a larger hotel (which was possible) the Administration has taken another small hotel where UNRRA H.Q. staff will reside leaving Esperia for the Voluntary Societies, etc. and the lower orders of UNRRA. Then suites will be available for the chiefs in the new hotel - this is relief and rehabilitation - and costs of administration will have been duplicated from cooks and headwaiters down to the most lowly paid cleaner. These people have never lived at home as they are living now.



Italy

48, Lowndes Square,
S.W.1.

PERSONAL & CONFIDENTIAL.

18th October, 1945.

My dear Dudley,

I enclose for your confidential information a copy of a document which Miss Ellen Wilkinson sent on October 11th to the Minister of State about the work of UNRRA in Italy. A great many of the criticisms on UNRRA contained in the letter are trivial, or easily answered, but there is possibly enough substance in others to justify your having them looked into. Meanwhile, I will take a copy of the document with me when I go to Italy next week, and keep my eyes open on the various points raised in it.

I am sorry that I was not able to get this across to you in time for Gale to take out to Italy with him, and the Minister of State has now himself gone to Quebec. But before he left, he asked me to take whatever action I thought possible to make sure that the matter was looked into.

Yours ever,

Clement E. D.

Dudley Ward Esq.,
U.N.R.R.A.,
11, Portland Place,
W.1.

See dfr. telegram to
Rome.

Burns
22/10/45




Extract of letter received by Miss Ellen Wilkinson
and forwarded to Minister of State on 11th October, 1945.

"So much seems to me to be going wrong with this Mission and there is such criticism by good people of the administration in general that I feel that before an expanded programme is agreed upon and financed, certain investigations should be carried out: congress men visit in hoards but don't really get around each division and talk to the staff: they are probably ignorant of the kind of questions they should ask; they only meet the Chief who calls in some of the Italian secretaries to entertain them with song and dance. (This is a fact). Why can't we have British M.P.'s and then surely some of us could suggest lines of investigation? I'm not at all sure that it isn't too late but when I read how difficult finance is going to be for the Government at home I get angry at the waste of money here and don't feel that it's a necessary expense at the moment. I could write much more, but perhaps from the attached you'll get some idea as to whether some independent enquirers from England shouldn't be sent."

COPY.

Points to which attention should be drawn:-

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3. Finance and Administration division is top heavy: in the H.Q. office it is 33% of the total (from a rough count of the telephone directory it is 85 out of 257). It increases daily: at present two young ladies and a South African officer (one a historian, one an economist) are engaged on a special report as to why there is a bottle neck in the distribution of food! Yet! challenged on plans of distribution or cost of distribution by press or congressmen or any other enquirer they would be given glowing accounts on massive statistical forms. The administrative staff is out of all proportion to the actual working or field staff - mainly nurses, doctors and welfare workers - and it appears that a huge and costly structure is being created which is going to be of no use to the Italians once U.N.R.R.A. pulls out. Office space increases every day and as this is provided by the Italian Government they presumably pay the requisitioning costs.
4. U.N.R.R.A. Transport is becoming an open scandal. All kinds of complaints and rumours pass round the office and are even heard outside: there is certainly mal-practice sufficient to justify investigation. Among the charges heard are the following, that worthless jeeps have been purchased, that a gift of a car has been made to an U.N.R.R.A. staff member but an account presented to U.N.R.R.A., that U.N.R.R.A. transport is made available to A.C. officers for personal use when it is urgently required by U.N.R.R.A. staff, that transport has been used to haul potatoes for the Vatican when it has its own transport. Every division head has a huge Hudson or Plymouth which is available after office hours for personal use but "all assigned jeeps which are of course allocated on the basis of business necessity will be dismissed as at close of business on any day and cannot be used for recreational purposes after business hours by the assignees." The jokes at the expense of U.N.R.R.A. and its fleet of cars has even got as far as cartoons in the Union Jack.



5. The distribution plans for U.N.R.R.A. food are unreal and the cost must be out of all proportion to the amount of food distributed. A welfare staff is maintained in the field and at headquarters to control the setting up of provincial and communal committees which in turn control the distribution of food. Administrative orders are jointly agreed upon by the Welfare Division and the Italian Delegation (which latter is growing and duplicating the duties of the Welfare officers as inspectors of provincial committees and as inspectors of distribution) and the Provincial committees appoint a paid secretary who carries out these orders and fills up complex statistical return forms. The secretaries in various provinces have met and agreed that these forms are too complex for a weekly return - they want a monthly return. Welfare officers (in many instances highly trained) are used to worry the lives of the local secretaries when if the food was put into the ordinary rationing system, i.e. handed to the Government, and a system of spot check or inspection substituted for which highly trained staff would not be required, the welfare workers could then be free to energise existing social agencies and community activities. At present they are the distribution and statistical end of a supply programme. Figures showing comparative cost of the food and cost of distribution would be frightening - the amounts of U.N.R.R.A. rations are so small as to be fractional.

6. Agriculture - industry - public works are envisaged in the expanded programme: this means in effect that as A.C. pulls out U.N.R.R.A. pulls in and further expansion of finance and administration of U.N.R.R.A. takes place; existing government machinery should be used and specialists or technicians in the various spheres attached to the Ministries if the Government so desires - in this way there is little or no administrative duplication.

7. At present U.N.R.R.A. headquarters staff is living in the Esperia Hotel along with Voluntary Society members, some A.C. AND Embassy secretaries. Accommodation is insufficient and not good enough. Instead of taking a larger hotel (which was possible) the administration has taken another small hotel where U.N.R.R.A. H.Q. staff will reside leaving Esperia for the Voluntary Societies etc. and the lower orders of U.N.R.R.A. Then suites will be available for the chiefs in the new hotel - this is relief and rehabilitation - and costs of administration will have been duplicated from cooks and headwaiters down to the most lowly paid cleaner. These people have never lived at home as they are living now.

cc Keeny
Hodgetts

*Sir Humfrey Gale
Commander Jackson
ROME.

KST
ITALIAN MISSION

27th October, 1945.

Sir George Randel,
Rome.



Dear Sir George,

Immediately upon receipt of cable 664 from London for Sir Humfrey Gale summarizing the criticisms made on certain operations of this Mission I requested that Mr. Carson comment upon the specific criticisms. The reason for selecting Mr. Carson was that he has recently made an independent study of some of the problems referred to for the purpose of improving our Administration. His comments are attached.

The second attachment is a memorandum from Major G.E. Hodgetts, Deputy Chief of Mission for Finance and Administration. Major Hodgetts' memorandum indicates the size of Finance and Administration Division in relationship to the entire operation.

I am not aware that the Finance and Administration Division is unduly large; but if it is, the responsibility is mine. As far as financing and accounting are concerned, I have tried to build up a strong Finance and Accounting Section. Our organization in this responsibility has been approved by Headquarters and its work commended. Indeed, a team of five persons from this staff was operating, at the urgent request of Commander Jackson, with the Greece Mission to assist them through a difficult period last summer. From the comments on our budgets and accounts I have been given to understand that the work of our Finance and Administration Division is considered to be better than average among the missions. The facts can be readily ascertained from the internal and external auditors. One of the external auditors, Mr. Winfield, is in Rome at the present.

I have included under the Finance and Administration section several units that would ordinarily not be included there, such as the reporting unit and transport. The reason for putting them there was that they were more easily supervised there for the time. Several of the functions will be redistributed under the new organization.

I have not seen the full text of the letter and do not know whether the information attached really answers the points. Please feel free to ask any further questions and to interview anybody on our Staff on any aspect of this or any other matter of interest to you.

Sincerely yours,

S.M. Keeny
Chief of Mission

SMKEENY/ss

COPY

24th October, 1945.

To: S.M. Keeny.

From: C.E. Hodgetts.

Subject: Cables No. 664 and No. 665 from London

I asked Mr. Carson to investigate the allegations made in the above-mentioned cables and his report is attached hereto.

The criticism that my Bureau exercises a stranglehold on operating Divisions can best be answered by you.

The statement that my Bureau comprises 33% of the total Headquarters' staff and is still increasing is one of those half-truths which convey an entirely wrong impression to the individuals who are not intimately acquainted with the organization of this Mission. The whole truth, however, is that out of our present total staff of 198, spread all over Italy, the Office of the Chief of Mission accounts for 3%, the Bureau of Supply 10%, the Bureau of Relief Services 72%, and the Bureau of Finance and Administration 15%. The F. and A. role is predominantly a Headquarters one, and, as the Relief Services role is equally predominantly a Field one, it is obvious that the proportion of bodies in my Bureau at Headquarters is relatively high compared with that of the personnel comprising the Divisions of Health, Welfare and Displaced Persons. The trick of mentioning the size of my Bureau and confining comparisons to other Bureaus in Headquarters is a neat one and very cleverly used in the communication under review.

(SIGNED) C.E. HODGETTS
(Deputy Chief of Mission for
Finance and Administration)

CEHODGETTS/emd

cc Carson

COPY

23rd October, 1945.

TO: C.E. Hodgetts.

With reference to Cable No. 664 from London, I would make the following comments on the various statements contained therein.

"UNRRA transport described as open scandal, worthless Jeeps have been purchased".

COMMENT: During my investigation of the transportation situation, I did find some evidence that some Jeeps taken over from the Army were not in top flight condition, but they have been far from worthless, since all our Jeeps are on the road, excepting the usual percentage in the garage for repair.

"Gift of Car made to UNRRA Staff Employee, but account presented to UNRRA".

COMMENT: I found no evidence of such a situation existing. What I did find was that any cars procured by our transportation officers had been turned into our garage and recorded and numbered in accordance with our system. Those cars are on our inventory.

"Transport made available to A.C. Officers for Personal use."

COMMENT: I have never seen this situation arise in relation to our transportation. As you know I have been with the Mission through the expansion of our transportation, except for the six weeks I spent in Greece, and certainly if this condition had existed I would have been informed of it. I do know that since my more intimate connection with Administrative Transport has taken place, we have had one request from a person outside UNRRA for transportation, and he was refused on the basis that this was strictly against rules and regulations.

"Each Division Chief has large Hudson or Plymouth available after hours for personal use, but Jeeps forbidden to be used for Recreational Purposes."

COMMENT: We have five Hudson cars and one Plymouth in Headquarters, but they are not assigned for the personal use of the Divisional Directors. For instance the car used by Mr. Varrichione is out from Headquarters very often visiting Camps etc., and the other Hudsons are on call at any time for long road trips, and are definitely used for this purpose. When Headquarters they are used by the Divisions to which they are assigned.

Our personnel transportation section has a taxi service organized and functioning, and all cars and Jeeps are pulled in after close of business on any day, and six to eight cars or Jeeps are used on this taxi service. Reports are on my desk every morning showing the users of the taxi service on the previous night, and the length of time they used any car. People

who abuse the use of this service are warned and if they continue, are penalized by not being serviced. On Sunday's Jeeps and Cars are available for Recreational purposes with the provision that requests for same must be in by Friday evening.

In closing this transportation subject, I might mention that we do have the situation under control as is evidenced by the records kept, and it is my conviction that our transportation is not being abused or used for any other purpose, than that which it is provided for.

"Accommodation of UNRRA Staff criticized".

COMMENT: The situation in Headquarters was that the Esperia Hotel had been taken over from A.C. The Hotel was a fifth rate one, and we were becoming greatly overcrowded. Staff morale was low because of living conditions. Negotiations had been under way before we left for Greece, but on our return we found nothing had developed in this respect. Through the good graces of the American Embassy we were in a position to requisition the Savoia Hotel and it was desired to improve the living conditions of all our staff by providing where possible, single rooms or in the event that the accommodation would not allow this happy event, to provide double rooms with baths to be shared by two people. In view of the fact that this Conference was coming up at this particular time, and we had arranged to move into the Savoia by the 10th or 15th of October, it was felt that we had to put some of the Conference members in the Savoia, and try to move as many of our Staff as possible from the Esperia to the Savoia. After the Conference, we expect to move all of our permanent staff to the Savoia.

Our need is for another hotel where our expanded staff can be housed in average comfort. The Savoia is not a luxurious hotel, but with hard work we have been able to make it fairly comfortable for staff members. The Esperia Hotel should not be used any longer than is absolutely necessary, but we have hopes of getting the other hotel in the very near future. Regarding the charge that the lower members of the staff are inadequately provided for, this is just not true. The allocations in the hotel were based to a certain degree on seniority and also on the length of service with the Mission. It was felt that the staff members who had endured the conditions of an Italian winter with the Mission should be given priority. I think it will be found that the allocations were fair, but it must be realized that it is impossible to please everybody, and there are always a few people who complain, no matter what is done. Of course the charge that Headquarters staff are living in excessive luxury, is just plain nonsense.

(Signed) R.B. CARSON.