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

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CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 754

MONTHLY REPORT

AUGUST 1946

Ref.: 824/30

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ALLIED COMMISSION HEADQUARTERS

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POLITICAL SUMMARY

1. During the month political interest was mainly focussed on the PARIS Peace Conference and the activities of the Italian Delegation to the Conference. A part in sense of impatience developed with pessimism on the part of Italians was apparent. On August 1, just after the terms of the draft were published, the Italian Government issued a statement in which it referred to the "unanimous painful impression caused by the harshness and gravity of the Treaty". The Council of Ministers instructed its delegation to the Paris Conference "to make every effort in order that the United Nations..... may make it possible for ITALY to become a positive element in international reconstruction and co-operation". Signor NENNI's trip to several of the capitals of Southern Europe appeared to have been aimed at laying the groundwork for, and ascertaining the possibility of, modifications in the Treaty. Modifications most desirable in his view included extension of the limits of the proposed free territory of TRIESTE so as to include therein GORIZIA and the most coast of ISTRIA; post-ponement of final decisions on colonies but without any derogation meanwhile of Italian sovereignty over the colonies; in present, from the Italian point of view, of the terms of the treaty dealing with Italian use of hydro-electric power produced in the territory to be ceded to YUGOSLAVIA.

2. Following an official invitation to appear before the PARIS Peace Conference, the President of the Council, accompanied by Signori SARAGAT, BONOMI, CHIARAMONTI and MACRELLI departed for PARIS on August 7; the delegation also comprised experts on judicial, military and economic-financial questions. The Prime Minister's formal return to the plenary session of the conference took place on August 10 and was widely reported in the local press which generally praised his moderation and dignity. His opening observation was that the draft treaty was extremely hard; he criticised the severity of the demilitarisation clauses and the proposed solution of the TRIESTE-GIULIA problem which he characterised as a minimum derogation of the ethnic principle upon which the Council of Foreign Ministers had previously agreed. He also proposed that the TRIESTE problem be left aside for a year, and then be settled by direct ITALO-YUGOSLAV negotiations. He was opposed to the enforced renunciation by ITALY of claims against ALBANIA.

3. Intensive lobbying by the Prime Minister and other members of the Italian delegation among the various foreign delegations at PARIS resulted at first in excessive optimism on the part of the delegation and other Italian observers as to their hopes of securing a revision of the treaty in ITALY's favour. This impression was on the whole encouraged by the speeches of Mr. BYRNES and Mr. MOLOTOV on August 16 made in reply to the Russian delegate's proviso that upon signature the Italian Government. On August 18 the delegation presented a bulky exposition of their case, raising 60 points of economic aspects along with about 20 pages of comment on each. The immediate reception of this document by the political commission deputed by the Conference to examine and report on the Italian treaty was unexpectedly severe. In a criticism of the preamble to the draft treaty intended to ensure recognition of the part played by ITALY in the war against GERMANY, it was pointed out that HOLLAND and BELGIUM had never declared war on ITALY. This irritated the Belgian and Dutch representatives on whom the Italian delegation had been counting for support at least in securing favourable proceedings. It acted similarly on the grounds that

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

[illegible] a positive element in international reconstruction and co-operation". Signor [illegible]'s trip to several of the capitals of Northern Europe appeared to have been aimed at laying the groundwork for, and ascertaining the possibility of, modifications in the Treaty. Modifications most desirable in his view included extension of the limits of the proposed free territory of TRIESTE so as to include therein [illegible] the west coast of ISTRIA; post-ponement of final decisions on colonies but without any derogation meanwhile of Italian sovereignty over the colonies; agreement, from the Italian point of view, of the terms of the treaty dealing with Italian use of hydro-electric power produced in the territory to be ceded to YUGOSLAVIA.

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5210

introduced by the DUTCH delegate and accepted on August 26 with the agreement of all except JUGOSLAVIA.

4. The developments at PARIS were accompanied by an incipient governmental crisis at home. Signor TOGLIATTI, the leader of the Communist Party returned from PARIS to ROME on August 18 where he had seen M. MOLOTOV. In a newspaper interview he attacked the Government's policy particularly as regards Signor DE GASPERI's proposal to postpone for a year the settlement of the VENEZIA GIULIA question, which he declared would only prolong the Allied occupation and enable them (the Allies) to transform TRIESTE into another MALTA or GIBRALTER. These statements followed a week of tension during which the Communists accused de GASPERI of acting without authority from the treaty commission of the Constituent Assembly, of secretly intending to align ITALY on the ANGLO-SAXON powers, and failing to emphasize sufficiently the complete break between the old FASCIST regime and the present one. Signor TOGLIATTI later qualified his criticisms in a calming statement in which he said that although he reserved the right to criticise the government when necessary, the development least desired was a governmental crisis at this stage.

5. In spite of Signor NENNI's asseverations that the Socialist Party must pursue its own course and not act as a mediator between the Communists and Christian Democrats a rift seemed to appear in the party ranks between those who with NENNI would like to renew the pact of unity of action with the Communists and the rest who have come to regard continued partnership with the Communists as a course too dangerous to Italian interests to be justifiable in present circumstances. Division of opinion also existed in the Christian Democrat Party on the question whether the Communists are more dangerous inside or outside the Government.

6. Signor de GASPERI returned to ROME on August 23 and made a report to the Council of Ministers on the 24th in which he endeavoured to clear misunderstandings and to answer his critics. Among other things he emphasized that in proposing a postponement of a settlement of the VENEZIA GIULIA question for a year he in no way hoped for a similar postponement of the peace treaty itself. He had endeavoured to reach a settlement of the question by direct discussion with the Jugoslav delegate, but the latter had refused to enter into contact with him. Although de GASPERI's statement was criticized at length by the Communist Minister of Finance, Signor SCOCCIMARRO, the meeting concluded by passing a unanimous resolution of approval for the work done by de GASPERI and the delegation at PARIS.

7. The domestic political situation was to a considerable degree determined by the moods engendered by developments at PARIS; several urgent problems principally economic in nature, were of necessity dealt with by the Government. Scattered demonstrations in protest at the peace treaty took place in the North, but at no time did the authorities lose control of the situation. The Government also gave serious consideration to the problems of unemployment relief and extended the ban on dismissals to September 30.

8. The most disturbances during the month took place in SICILY, beginning with a clash on 5 August between Carabinieri attempting to enforce the guarding of wheat and a sizeable portion of the local citizenry. Order

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

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

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8. The most disturbances during the month took place in SICILY, beginning with a clash on 5 August between Carabinieri attempting to enforce the unloading of wheat and a sizeable portion of the local citizenry. Order was restored on August 8.

9. Following developments at ISTI when a band of partisans took to the hills as a protest against their unsatisfactory economic status and partly against the Government's attitude in certain political questions, a delegation was received by Signor NENNI who was acting President of the Council in the absence of Signor de GASPERI. The delegation presented a petition containing seven requests mainly of an economic character. These were under consideration by the Government.

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

PART I - AMG AND LIAISON OFFICERS

AMG VENEZIA GIULIA

1. There was a marked increase in tension during the month after a period of comparative calm following the General Strike early in July. The fact that the future of the area was under discussion at the PARIS Conference gave rise to renewed attempts at influencing the final decision. Both sides were still hoping that adjustments in the boundaries of the international zone and the ITALO-JUGOSLAV frontier could be made in their favour and made every endeavour to accomplish this. Demonstrations took place early in the month as a protest against the seizure by the VENEZIA GIULIA Police of foodstuffs hoarded for distribution among the participants in the strike. Some of this had come from Zone B. This action by the Police led to a number of incidents, such as that at MUGGIA when a crowd of 3000 workers (pro-Slav) prevented the police from impounding food and carried it away to a new hiding place. On 3 August tram drivers belonging to the Sindaci Unici stopped work as a protest against AMG refusal to return confiscated food, and tram service in the city of TRIESTE was completely paralyzed. This, however, was not entirely due to the strike, but mainly to the fact that during the night armed men broke into all the tram depots and removed an essential part of the mechanism from every tram; parts of the trucks were also blown up. Army workshops turned out the necessary parts and the tram service was running normally on the 4 August. The most serious disturbance during the month took place in GORIZIA on 9 August when a large number of Italians met in a public park to commemorate the anniversary of the liberation of GORIZIA from the Austrians. The service developed into a political fracas between Yugoslavs and Italians; the Slavs threw two hand grenades at intervening V.G. Police and during the ensuing riot 16 civilians and 6 V.G. Police were injured. More trouble occurred on the same day when two Yugoslav officers in a car were held up by an Italian crowd and had to be rescued by V.G. Police. A subsequent search revealed that there were four hand grenades in the car. Numerous minor demonstrations took place outside AMG Headquarters in TRIESTE against the warrants issued for the arrest of the strike leaders, the detention of "anti-fascists", the requisitioning of U.S.I.S. premises, and the action of the V.G. Police. Attacks on AMG, and the Civil Police continued unabated. Pro-Slav elements were busy creating incidents and devising every possible means of obstructing the Government. The violent anti-Italian speeches by KIDRIC and VISINSKI led to a strong anti-Slav and anti-Russian feeling among the Italian section of the population with a corresponding swing towards the Allies. This was further encouraged by the attitude of GREAT BRITAIN regarding repatriations. There was no change in the local Government during the month.

2. The situation as regards public safety was quieter in certain respects than previous months. However, there was a sufficient number of incidents to keep all branches of the police force fully occupied. Commencing at midnight 5 August a large scale raid was made by combined military and civil police in the BORGHETTO DEL LAGO area, following incidents in which military vehicles were fired upon. Subsequent to the occurrences mentioned in para 1 at GORIZIA, several minor incidents took place during the day but at no time did the situation get beyond the control of the Police. At VENEZIA, POLA on 18

Declassified E.O. 12356 Section 3.3/NND 785016

[illegible] should be made in their favour and made every endeavour to accomplish this. Demonstrations took place daily in the month as a protest against the seizure by the VENEZIA GIULIA Police of foodstuffs hoarded for distribution among the participants in the strike. Some of this had come from Zone B. This action by the Police led to a number of incidents such as that at MUGGIA when a crowd of 3000 workers (pro-Slav) prevented the police from impounding food and carried it away to a new hiding place. On 3 August tram drivers belonging to the Sindaci Unici stopped work as a protest against AMG refusal to return confiscated food, and tram service in the city of TRIESTE was completely paralysed. This, however, was not entirely due to the strike, but mainly to the fact that during the night armed men broke into all the tram depots and removed an essential part of the mechanism from every tram; parts of the trucks were also blown up. Army workshops turned out the necessary parts and the tram service was running normally on the 4 August. The most serious disturbance during the month took place in GORIZIA on 9 August when a large number of Italians met in a public park to commemorate the anniversary of the liberation of GORIZIA from the Austrians. The service developed into a political fracas between Yugoslavs and Italians; the Slavs threw two hand grenades at intervening V.G. Police and during the ensuing riot 16 civilians and 6 V.G. Police were injured. More trouble occurred on the same day when two Yugoslav officers in a car were held up by an Italian crowd and had to be rescued by V.G. Police. A subsequent search revealed that there were four hand grenades in the car. Numerous minor demonstrations took place outside AMG Headquarters in TRIESTE against the warrants issued for the arrest of the strike leaders, the detention of "anti-fascists", the requisitioning of U.A.I.S. premises, and the action of the V.G. Police. Attacks on AMG, and the Civil Police continued unabated. Pro-Slav elements were busy creating incidents and devising every possible means of obstructing the Government. The violent anti-Italian speeches by ADLER and VISHINSKY led to a strong anti-Slav and anti-Russian feeling among the Italian section of the population with a corresponding swing towards the Allies. This was further encouraged by the attitude of GREAT BRITAIN regarding repatriations. There was no change in the local Government during the month.

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5212

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

3. During the month a review was made of the period and the progress made over the past twelve months. The work of defascism being almost complete it was decided that no further denunciations should be received after the 30 August 1946. The Special Court of Assise was reduced in numbers and reorganised. The Court will continue to function for a further 3 months by which time the bulk of the work will have been completed. Since the beginning of defascism 1378 denunciations have been received, of which 1307 have been decided and disposed of.

4. Generally speaking, economic conditions during the month remained unchanged. Public Works reached their peak in a programme to relieve unemployment which remained serious. At the end of the month 16,000 people were employed on public works projects and it is hoped to exceed this figure in the near future. The population was supplied with normal rations during the month with the exception of pasta, the balance of which will be made up in September. Prices of locally produced foods showed a tendency to rise. These increases were not believed to be due to reduced availability but to the general economic and political situation.

5. A period of dry weather during July and August scorched a percentage of the maize crop, but the damage was calculated to be limited in the event of early rains. On the whole the harvest of grain, fruits and vegetables was very good and prices on the markets in TRIESTE and GORIZIA decreased accordingly. The shortage of hay continued. Wheat threshing was practically finished having reached 200 of the original total. 4,100 tons have been threshed to date. Agricultural radio programmes were continued during the month including much useful information on increasing fruit production, methods for packing and preparing fruit for export, methods for combatting diseases of fowl and other technical information which appeared to be very much appreciated by the farmers. The development of the sheep and cattle industry was hampered by a lack of sufficient food. Fertilisers were readily available but the prices were too high for the purchase of large quantities. It is hoped that commercial supplies will soon be available from AMERICA. Reafforestation projects continued and plans were drawn up for further projects. The catches of fish for the month were very good, 570 metric tons of fish having being brought into TRIESTE alone.

6. The chief interest from an industrial point of view was centred in the MONFALCONE Shipyard. Handing back control to the management was followed by a recurrence of hooliganism. However, on 26 August a combined force of civil and military police were introduced to patrol the yard. This resulted in a sit-down strike which continued until the following day. Work was resumed on 28 August and there were no further incidents. It was made clear to the workers that the police force would not be withdrawn until the authorities were satisfied that there would be no further outbreaks. There was no change in the general industrial situation. Reconstruction of the port progressed satisfactorily.

7. Repairs and reconstruction on 249 Public Buildings were completed during the month, and AMG approved expenditure of 211,500,000 lire for

in the docks and railway yard areas. The month was reasonably quiet so far as political crime was concerned, although there were a number of occasions when explosives were used and there were many acts of terrorism in the MONFALCONE area. Few of these caused injury to persons and damage to property was slight. There were 17 cases of use or attempted use of explosives for political purposes. In the TRIESTE Zone 293 crimes and 71 cases of injuries to persons were reported. General crimes included 2 cases of murder. The behaviour of Allied troops during the month was excellent and there were no reported clashes with civilians. The prison population decreased, the total number confined being 1104. Health conditions in the prisons continued to be excellent.

3. During the month a review was made of Defascism and the progress made over the past twelve months. The work of defascism being almost complete it was decided that no further denunciations should be received after the 30 August 1946. The Special Court of Assise was reduced in numbers and reorganised. The Court will continue to function for a further 3 months by which time the bulk of the work will have been completed. Since the beginning of defascism 1378 denunciations have been received, of which 1307 have been decided and disposed of.

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

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7. Repairs and reconstruction on 245 Public Buildings were completed during the month, and 360 approved expenditure of 211,500,000 lire for

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

reconstruction of houses in distressed villages. More than 15,500 persons were employed in Public Works. During the repairs of the Church of GRADO some precious fragments of mosaic were found representing a very important archeologic discovery as some were more than 1400 years old.

8. In the unemployment registers an increase of 24 was noted in respect of last month in spite of increased absorption of workers in Public Works projects. The gradual unblocking of dismissals were continued formally by allowing dismissals only to employers who had not availed themselves of declared percentages over the previous period. This will enable AMG to await the decision of this question in Italy before taking any further initiative.

9. General health in the area remained good during the month. Distribution of drugs and dressings etc. continued. A supply of insecticide powder and anti-malaria spray was delivered to all communes free of charge.

10. Movement in Displaced Persons continued and figures showed a slight increase over the previous month. 2024 people passed through the Centre during the month. Close watch was kept on refugee movement from Zone B as new arrivals from ISTRIA tend to settle in TRIESTE. The condition of P.O.W.s from YUGOSLAVIA remained very unsatisfactory. Further interviews took place with various officials during the month regarding evacuation of POLA.

11. Plans for the reopening of schools were under way. Text books were prepared and were being printed for both the Italian and Slovene schools. The PMOO School Section was insisting that schools be under its administration during the coming year, but withdrew its objections to permitting its teachers to attend the Summer Training Courses established for Slovene teachers. Many teachers and pupils went to YUGOSLAVIA, however, and it is assumed that these will return indoctrinated to disrupt the efforts of those interested in the functioning of non-political schools. On the Italian side there was calm on the surface, and indications that teachers in GORIZIA were not willing to cooperate in TRIESTE they appeared to have lost heart and to be unwilling to do anymore than was strictly necessary for the functioning of their schools.

AMG UDINE PROVINCE.

12. Anxiety and despondency were general amongst the thinking population due to the uncertainty of the Eastern Boundary of the Province and VENEZIA GIULIA, the continued dissension at the PARIS Conference and the attitude of the Slavs. Politically the Province was quiet but there was a considerable amount of pro-Slav activity and there appeared to be numerous Yugoslavs infiltrating into the Province.

13. There was a noticeable decrease in serious crimes during the month and in general public order was good. While there was a marked increase in the number of demonstrations and strikes due to unemployment, such incidents as occurred passed off without serious disorder. Anti-Allied sentiments continued, due largely to the decisions being made at the PARIS Conference and the anticipated fate of VENEZIA GIULIA and TRIESTE. Much publicity was given by the press to motor accidents involving Allied vehicles. Carabinieri carried out their duties satisfactorily and morale and efficiency were good although shortage of personnel continued to present a problem. A gradual

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

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AMG UDINE PROVINCE.

12. Anxiety and despondency were general throughout the thinking population due to the uncertainty of the Eastern Boundary of the Province and VENEZIA GIULIA, the continued dissension at the PARIS Conference and the attitude of the Slavs. Politically the Province was quiet but there was a considerable amount of pro-Slav activity and there appeared to be numerous Yugoslavs infiltrating into the Province.

13. There was a noticeable decrease in serious crimes during the month and in general public order was good. While there was a marked increase in the number of demonstrations and strikes due to unemployment, such incidents as occurred passed off without serious disorder. Anti-Allied sentiments continued, due largely to the decisions being made at the PARIS Conference and the anticipated fate of VENEZIA GIULIA and TRIESTE. Much publicity was given by the press to motor accidents involving Allied vehicles. Carabinieri carried out their duties satisfactorily and morale and efficiency were good although shortage of personnel continued to present a problem. A gradual improvement was being effected in the Auxiliary Police Force although there remained a good deal to be desired. Guardia di Finanza performed their duties satisfactorily particularly in regard to the prevention of illegal movement of grain out of the Province. The state of the prisons was satisfactory; there was no overcrowding and there were no disorders or escapes during the month.

14. The economic situation generally was reasonably satisfactory. P.O.L. supplies improved and the only serious shortage was petrol(diesel oil). Unemployment reached a figure of approximately 56,000 and was responsible for

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

5211

much discontent. The delay on the part of the authorities in approving Public Works projects was responsible in part for much of the unemployment although emigration appeared to be the only real solution to the problem. Regular distribution of rationed foodstuffs continued. The new milling rate of wheat for bread of 85, as against 91, was received favourably, the population appearing to prefer to accept a decrease in the bread ration in order to have a whiter bread. On a ration basis of 235 grams of bread daily and 2000 grams of pasta monthly, the stocks of wheat on hand are sufficient to support the bread ration until March 7, 1947 and the pasta ration until the end of December 1946. The ban on the export of livestock from the Province was lifted and permission for up to 300 head of cattle to be exported from the Province given. Contributions to the Peoples Granary decreased during the month due to the continued drought. However, rains in the latter part of the month will increase figures during September. 25,697 tons of wheat were amassed to date. The situation was satisfactory in respect of potatoes, forage and wines.

15. 16 road projects of military interest totalling approximately 20 million lire were approved during the month. 16,398,000 lire was advanced from AMG funds under the decree of the Prefect in anticipation of final approval in specially urgent cases and 8,780,000 lire worth of military projects were initiated. The supply of bitumen was renewed and it was hoped to secure a substantial amount in the near future.

16. During the month 1075 Italians and 214 non-Italians passed though the UDINE Refugee Camp. 127 ex-POW from RUSSIA arrived in the Province during the month.

17. As a result of a 25% tariff reduction a substantial increase in the transport demand was observed. The tyre situation remained unsatisfactory.

18. The work of Italian Courts continued normally. The number of cases tried by AMG Courts during the month totalled 5, all of which were Summary Court cases which resulted in convictions.

LIAISON OFFICER 86 AREA (Venezia)

19. The attention of the public and of the press continued to be focussed on the Peace Conference during the month. A certain amount of anti-Slav feeling was noted, engendered partly by the distressed condition of refugees arriving from VENEZIA GIULIA. The political parties were united in their efforts to support economic reconstruction.

20. Public order deteriorated somewhat in that strikes were common throughout the area among employees and unemployed. The latter in MESTRE succeeded in stopping all traffic and closing shops for four hours. In MESTRE on the 23 August disorders followed an incident in which Italian civilians molested a girl walking with two British soldiers and then attacked the soldiers. The following evening British troops in a cafe were provoked and insulted by a crowd of civilians This resulted in a fight in the cafe. Both sides were reinforced by their supporters and the numbers involved rose to approximately 300 British and 500 civilians. In the melee an Italian woman was run over by a truck and killed. A

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

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21. The cost of living showed a slight increase over the previous month. In spite of existing restriction restaurants continued to serve numerous courses and shops displayed plenty of food and other goods. Black market activities relaxed somewhat due to increased availability of goods. Amassing of grain continued

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

and the figure for the whole Region including UDINE Province was reported to be 290,774 tons.

22. There were increasing signs of industrial revival but shortages of coal and bitumen continued to hamper large scale rehabilitation. Plans were being made to present several exhibitions of industrial, artisan, and agricultur products in VENICE, VICENZA, TREVISO and BELLUNO during September and October. Another sign of returning confidence was the constant requests received for de-requisition of industrial premises.

23. The local labour offices in VENICE and MESTRE started an agitation and threatened a general strike of all employees in military offices and installations. After numerous meetings the demands of the workers were clarified as (a) establishment of Internal Commissions, (b) cost of living bonus to be brought into line with private industry and made retrospective to 1 May 46, (c) inclusion of the Commune of VENICE including MESTRE in Zone "B", (d) Payment of the Republican Bonus. Clause (c) was granted and clause (b) granted retrospective to 1 August 46. (c) and (d) were referred to higher authority.

LIAISON OFFICER TIRA.

24. The political situation remained quiet in the UPPER ROYA VALLEY during the month and the people appeared to be resigned and to accept without question the decisions made at PARIS regarding the boundaries of FRANCE and ITALY. It was not considered likely by the local authorities that any breach of the peace would arise on the publication of the PARIS decisions. The announcement in the press that the territory of PIEVE DI CADORE and SAN BERNARDINO, together with other parts in the North will be given to FRANCE was accepted without comment. Partisan activity in Northern ITALY did not affect the area. It was reported that leaflets were distributed in TURIN asking the people of PIEMONTE to take an active interest in the ultimate fate of TENDA and BRIGA, but no action was effected in the district.

25. Unemployment in the area temporarily decreased owing to large numbers of people engaged in picking lavender, however, as the season finishes it is expected that figures will revert to their previous total.

26. Work on the LIMONE road tunnel, road bends leading to the tunnel, and the bridges, while not yet being complete, reached a stage where the movement of traffic was not handicapped. It was expected that work would be completed on the rail tunnel in November; the project was being carried out as quickly as possible. The closing of the rail tunnel resulted in a decrease of 100 cubic metres of wood per month exported elsewhere in ITALY.

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

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5210

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

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

PART II

CIVIL AFFAIRS SECTION

LEGAL SUB-COMMISSION

1. Allied Military Courts held in session during the month in VENEZIA GIULIA and UDINE. Both Superior and Summary Courts were held in the former and Summary Courts in the latter. In VENEZIA GIULIA a total of 128 accused were tried on 149 charges by Summary Courts. The increase was due to continued unsettled conditions in this area. Of the total of 166 charges preferred in Superior Courts 93 were offences against good order resulting in sentences of 3 months or less. 33 of these charges were for possession of firearms and munition. 11 of the accused in such cases were treated with some severity, receiving sentences of from 1 to four years. In the Summary Courts trials involving charges for offences against good order, larceny and unlawful possession again predominated. In the Province of UDINE a total of 5 cases were tried by Summary Court. Three of these charges were for theft and possession of Allied property.

2. Italian Courts generally appeared to function with reasonable satisfaction. The work of the Italian Branch of this Sub-Commission included preparation of opinions regarding claims of SLOVENE against the Allied Forces; JUGOSLAV and GREEK claims for restitution of property and damages; cases of Allied Merchant seamen; legislation in VENEZIA GIULIA; the status of Allied companies in LIBIA and TRIPOLITANIA and the status of Italian officials and companies in the DODECANESE Islands. Considerable study was also given to fishing rights in the ADRIATIC; jurisdiction of Allied Courts in VENEZIA GIULIA; amendments of Italian laws (with Italian counsel) concerning marriage between Allied Nationals; the Ministry of Justice regarding War Crimes, the Italian Patent Office regarding patents and trade marks on behalf of the US Patent Office, and numerous other items.

PUBLIC SAFETY SUB-COMMISSION

3. Demonstrations were staged in many parts of ITALY during the month, chiefly as a protest against economic conditions and generally not of an anti-Allied nature. In TRIESTE and TREVISO some incidents occured involving British troops and Italian civilians and local fights ensued. The Italian Police throughout these incidents showed a complete lack of initiative or power to control the crowds. Carabinieri and public safety agents have been reinforced in so far as possible in the area.

4. On August 5 disorders occured at CANICATTI a small commune in the Province of PALERMO, (SICILY) and continued for several days. The disturbances occured when Agriculture Officials went to the commune as part of a drive to enforce the assessing of wheat. Early in the proceedings the local inhabitants fired on the Carabinieri and one lieutenant was killed. Reinforcements of Carabinieri and Public Safety Agents from PALERMO arrived in large numbers and heavy fire took place on both sides; at one time 20 Carabinieri were captured by the rebels. Gradually, however, the rebels were surrounded and cap-

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

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5. Agents of Public Safety were generally unreliable by reason of the large numbers of undesirable elements within their ranks. Discipline was very lax. On 22 August at ASTI, members of the Auxiliary Police, (all former partisans as a protest against the dismissal of their Captain, left their barracks, seized arms and took to the hills. After protracted negotiations agreement was eventually reached and the absentees returned to their barracks on a guarantee

of immunity for their action.

DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION.

6. The SACMED/UNRRA Agreement for the transfer of Displaced Persons eligible for UNRRA care was effected on 1 August 1946. Responsibility for 8,393 Displaced Persons was assumed by UNRRA. As on 24 August 1946 there were 15,424 persons in Allied Commission Camps and 8,280 in UNRRA camps. Persons receiving UNRRA assistance outside of camps numbered 12,103. Royal Yugoslave working for Allied installations and eligible for admission to Allied Commission Camps totalled 4,000. (Grand total 39,807) it was estimated that at least 14,000 Displaced Persons, exclusive of those receiving UNRRA care, would be on hand on a conclusion of the military occupation of ITALY.

7. **The Chinese** repatriation move was cancelled at the last moment owing to the ship on which they were to embark developing engine trouble. This was the second time that the Chinese had been alerted for repatriation and that unforseen circumstances had prevented their embarkation. 203 Poles and 13 Czechoslovaks were repatriated under UNRRA arrangements. The Germans in BOLZANO Camp (which was handed over to the Italian authorities on 31 July 1946) still remain in ITALY. This small group of 1,200 Germans have been awaiting repatriation since March 1946 but are unacceptable to the authorities in Germany.

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

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

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5209

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

PART III

ECONOMIC SECTION

FOOD AND AGRICULTURE BRANCH.

1. The wheat situation continued to improve during the month but at a slower rate than during July since threshing had been completed in all but the most northern provinces. Stocks on hand increased 125,000 tons during the month or sufficient to maintain the bread and pasta rations for 131 days.

2. Two important changes were made in respect to rationed foodstuffs during the month: (a) Prefects were granted the authority to increase the milling ratio from 9% to 85% if at the same time the bread ration was decreased from 250 grams to 235 grams daily; (b) the sugar ration was increased from 100 to 500 grams, this change being due to the prospect of a sufficiently large production of domestic sugar. In addition the High Commissioner for Food ordered the release of 200 tons of sugar for the manufacture of infant food; issued new ration scales for tuberculous patients in hospital; authorized a special allotment of powdered milk, dried vegetables, conserved meat, dried soup and eggs for childrens' summer camps; and authorized a substantial improvement in the ration scales for crews of merchant ships.

3. General food conditions remained good during the month. Rains over most of the country prolonged the production of summer vegetables which were abundant and of good quality. Fruits were plentiful but prices were high in relation to the purchasing ability of the average consumer. In AMG territory the supply of imported foodstuffs except sugar was ample for present needs. Expected receipts of imported sugar are not sufficient to permit the increase in the monthly sugar ration to the 500 grams which was authorized for the rest of Italy.

4. The weather during the month was exceptionally favorable for agricultural production except in local areas where strong winds, rains and hail did much damage to orchards, vineyards and sugar beets. All important field crops, fruits and vegetables showed additional increase. Wheat production initially estimated at 5,600,000 tons, later raised to 5,975,000 tons was increased to 6,009,000 tons. Similar increases were made for other crops. 380,079 tons were collected during the month in the Ammasso Granary - to date 3/4 of the present Ammasso goal of 2,577,652 tons has been collected. The first shipment of veterinary supplies on requisition was received during the month and distributed in PUGLIA, CAMPANIA and SICILY. The supplies included basic and laboratory veterinary units and immunizing biologicals, notably anti-anthrax serum. Spare parts for caterpillar tractors requisitioned over a year ago were also delivered in August. All approved requisitions for agricultural supplies were believed to be filled with the exception of fertilizers.

5. An allotment of trees for reforestation was made to PUGLIA CIVILE by the Director of the Forestry Corps during the month which will serve to start the reforestation plan project.

COMMERCE (FOREIGN TRADE) BRANCH.

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

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COMMERCE (FOREIGN TRADE) BRANCH.

6. During the month the Italian Government requested the help of the Allies in connection with regard to many diverse items ranging from the import of carbon black (first priority to check the rubber break). All Italian claims to assets in ALBANIA and GERMANY are passed by the Italian Government to the Embassy of the Military Authority concerned.

7. Certain changes took place in the Reserved Commodity Lists of the

Combined Boards Washington: raisins and dates were removed from the List and pepper and spices are now importable from the DUTCH EAST INDIES without a license from W.S.A.B. The Hides, Skins and Leather Committee controlling world allocations of these commodities was dissolved.

8. Much liaison work with the Ministry of Foreign Trade was carried out, mainly in relation to import permits both for controlled and uncontrolled goods required by Lend Lease, UNRRA, GIULIA, to trade with Zone B and ALLIED.

INDUSTRY AND UTILITIES BRANCH.

9. Requisition was obtained for 11 cars in warehouses and an agricultural institute in the Province of [illegible] and for a petroleum laboratory in [illegible] during the month. In [illegible] the position was constantly under review and releases made where practicable.

10. Imported coal arrivals during the month were the highest since the end of the war: 311,000 tons. UNRRA shipments accounted for the major part. Allocations for the month totalled 540,000 tons; the balance of 231,000 tons was stockpiled pending a decision as to the division of supplementary allotments between Italian State Railways and other civil consumers. The Railways had 44 days stock. Sardinian coal production for the month was 92,165 metric tons, 729 tons less than July. Actually the daily production during August slightly exceeded that of July but numerous holidays during the month accounted for the discrepancy. Lignite production remained at about the same level i.e. 160,000 tons per month. Coal from POLAND expected during the month failed to arrive.

11. Stocks of P.O.L. remained to be maintained at about a 60 day level. It was anticipated that arrivals of crude oil in ITALY would permit the starting of the refineries at [illegible] and [illegible] during September. 150,000 tons were allowed forward to cover a 3 month period for conversion to gasoline, kerosene, diesel and fuel oils. It was anticipated that this would save 500,000 dollars in credit for Italian economy.

12. In Northern Italy the reservoir situation was good and the present supply of power to Central and Southern Italy will be maintained throughout September. In Central Italy the drought persisted and the situation was serious. The thermal generation was approximately 100,000 KWH per day. In Southern Italy the hydro-electric plant situation was poor. Steam generation was 300,000 KWH per day.

TRANSPORTATION AND SHIPPING BRANCH.

13. Both passenger and freight traffic continued to be very heavy throughout the month and the shortage of rolling stock was acute. A transport committee was formed consisting of Military, UNRRA, State Railway representatives and representatives of the various districts of the Italian Government requiring transport. The object of the committee is to coordinate the requests for traffic with the available means of transport with a view to utilising to the best advantage rail, road and coastwise shipping.

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

9. Requisition was obtained for 11 [illegible] in warehouses and an agricultural institute in the Province of Foggia and for a precision laboratory in MYNS during the month. In LEG HQ the position was constantly under review and releases made where practicable.

10. Imported coal arrivals during the month were the highest since the end of the war: 341,000 tons. UNRRA shipments accounted for the major part. Allocations for the month totalled 340,000 tons; the balance of 331,000 tons was stockpiled pending a decision as to the division of supplementary allotments between Italian State Railways and other civil consumers. The Railways had 44 days stock. Sardinian coal production for the month was 92,185 metric tons, 29 tons less than July. Actually the daily production during August slightly exceeded that of July but numerous holidays during the month accounted for the discrepancy. Lignite production continued at about the same level i.e. 160,000 tons per month. Coal from PHILCO expected during the month failed to arrive.

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14. It was anticipated that the MONT CENIS tunnel would be opened during the first week in September, thus giving the most direct rail route to FRANCE. Electrification was being utilized and pursued where possible in an effort to reduce coal consumption and owing to shortage of steam locomotion.

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

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

PART IV

DEPARTMENT SUB-COMMISSIONS

NAVY SUB-COMMISSION.

1. The total strength of Italian Naval Personnel is being gradually reduced and during the month arrived at a figure just below 50,000, double that anticipated under the Peace Treaty.

2. Royal Navy stocks of FOL at LEGHORN administered by the Italian Navy and C.I.P. on behalf of the Admiralty were completely turned over to C.I.P. during the month on the authority of the C-in-C Mediterranean Station. On 11 August British Admiralty instructions stated that Italy is now in a position to arrange with banks for the supply of necessary funds to cover expenses of Italian consuls when visiting foreign ports, and that supply of funds would only be advanced by British Naval authorities in very exceptional circumstances.

3. Italian Minesweeping Groups continued clearance operations in their respective areas satisfactorily. At [illegible] 11 mines and 7 anti-sweeping devices were cut, and 10 mines at VENICE and 6 at CHIOGGIA were also reported cut. The Naval Units working along the Northern Adriatic Coast cleared extensive areas of German SC mines.

4. During the month the Italian cruisers [illegible]GOLI, DUCA DEGLI ABRUZZI, and ATTILIO REGOLO together with [illegible] transports almost cleared the MIDDLE EAST of Italian Prisoners of War having repatriated to ITALY a total of approximately 9,000 men including 170 PW from GREECE. The ex-hospital ship TOSCANA returned to NAPLES with approximately 1,500 Italian civilians repatriated from [illegible] and the sloop [illegible] entered the Mediterranean bound for ITALY with 300 repatriates from CHINA and SIAM.

5. Torpedo-boats, corvettes and coastal craft continued anti-contraband control in the Italian Adriatic waters throughout the month. No incidents were reported. Destroyers and small craft carried out the usual lifts of Italian Naval personnel and stores between principal Italian ports.

LAND FORCES SUB-COMMISSION.

6. Italian Army Strength as at 31 August was 179,850 including 64,120 Carabinieri. Disbandment of BR-IMI Units is nearing [illegible] in existence.

7. An Italian Mobile Training Team was formed to carry out [illegible] of training methods employed at Schools and Training Centres with the object of improving and standardising instruction. This team was trained by 15 Corps on the lines of British Army Doctrine. The training of the second intake of recruits was in progress during the month and the "call-up" was satisfactory. Alpine Units were inspected during the month and morale was found to be exceedingly high. Esprit de corps was shown by all ranks at [illegible] with units most arduous mountain operations. Italian units were in the process of being distributed down to Battalion level and all ranks enjoyed an en-

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

[illegible] on behalf of the Admiralty were completely turned over to A.L.F. during the month on the authority of the C-in-C Mediterranean Station. On 11 August British Admiralty instructions stated that it is now in a position to arrange with banks for the supply of necessary funds to cover expenses of Italian vessels when visiting foreign ports, and that supply of funds would only be advanced by British Naval Authorities in very exceptional circumstances.

3. Italian Minesweeping Groups continued clearance operations in their respective areas satisfactorily. At CAGLIARI 11 mines and 7 anti-sweeping devices were cut, and 10 mines at TARANTO and 5 at CATANZARO were also reported cut. The Cantiere Unito working party, the Northern Adriatic Depot cleared extensive areas of German SA mines.

4. During the month the Italian cruisers [illegible]NOCCOLI, DUCA D'ORLI ABRUZZI, and ATTILIO REGOLO together with 5 destroyers almost cleared the MIDDLE EAST of Italian Prisoners of War having repatriated to ITALY a total of approximately 9,000 men including 170 from BENGHAZI. The ex-hospital ship TOSCANA returned to ALEXANDRIA with approximately 1,500 Italian civilians repatriated from BENGHAZI and the sloop EURO entered the Mediterranean bound for PORT SAID with 300 repatriates from CRETE and SUDA.

5. Torpedo-boats, corvettes and coastal craft continued anti-contraband control in the Italian Adriatic waters throughout the month. No incidents were reported. Destroyers and small craft carried out the usual lifts of Italian Naval personnel and stores between principal Italian ports.

LAND FORCES [illegible]-OCCUPIED ITALY.

6. Italian Army strength on 31 August was 179,250 including 64,120 Carabinieri. Disbandment of SR-IVI Units continued leaving four in existence.

7. An Italian Mobile Training Team was formed to carry out inspection of training methods employed at Schools and Training Centres with the object of improving and standardising instructions. This team was trained by 13 Corps on the lines of British Mobile Teams. By training of the second intake of recruits was in progress during the month and the "call-up" was satisfactory. Eligible Units were inspected during the month and morale was found to be exceedingly high. Extreme keenness was shown by all ranks at work under most arduous mountain conditions. British arms were in the process of being distributed down to Battalion level and all ranks evinced an enthusiastic interest in their new weapon.

8. Representations were made to the Italian Ministry of War regarding the slow delivery of equipment of all types to Carabinieri and a considerable improvement resulted. Carabinieri authorities were desirous of increasing the number of Legions on the grounds that some of the existing Legions are unwieldy and have to cover too much territory. As the scheme would involve considerable additional expenditure and would remedy until the superimposing

of a new "Carabo L. form" on already existing groups it is not thought that the scheme will succeed. During the month considerable improvement was made in the matter of transport. 5000 Beretta pistols were delivered to the Ministry of War and issued to the Carabinieri Corps. A course was started in ROME for the training of a number of men in the use of the mine detector, a consignment of which was received. Recruitment for the Carabinieri made little headway, the main causes being poor pay and the uncertainty as to the future of the Corps.

9. The decree regarding the compulsory and voluntary retirement of surplus Italian officers is likely to be promulgated after 17 September 1946. Officers wishing to retire voluntarily were given three months in which to make application, the three months expiring on 17 September. It was understood that a number would be compulsorily retired before any applications for voluntary retirement would be considered.

PRISONERS OF WAR DIVISION.

10. Repatriation of Italian POW continued during the month with 26,740 POW were repatriated from British hands and 499 from other sources. Nearly 8,000 Prisoners were returned from MIDDLE EAST during the month; 19% of the original number held in MIDDLE EAST await repatriation. 1,643 POW out of 158,029 remained in the UK. The repatriation from the UK is virtually completed since some hundreds of POW voluntarily deferred their repatriation to assist in agriculture. One ship arrived in NAPLES from AUSTRALIA during the month with 500 sick and expressionate cases. Another ship is expected with 600. No further information was received regarding large scale repatriation from AUSTRALIA. All co-operators were returned from MIDDLE EAST and it was expected that the repatriation of non-co-operators would be completed by mid September 1946. The position as regards POW in S. AFRICA and E. AFRICA remained unchanged. All continued to return at the rate of 2000 a month from each country but no plan existed for mass repatriation. With the completion of MIDDLE EAST repatriation it is hoped to speed up this comparatively slow rate. A few POW arrived through TERMOLI from RUSSIA.

AIR FORCES SUB-COMMISSION.

11. The total strength of the Italian air force as at the end of August was 26,899. (3,167 officers and 26,899 other ranks.) Two recruiting centres were opened at TURIN and NOVI LIGURE. The centres were functioning smoothly and the recruits showed keen spirit and enthusiasm. The morale of the I.A.F. was generally good although this naturally is one higher in the flying units with a corresponding increase in efficiency. The new pension scheme was well received by the ordinary ranks of the I.A.F. It will afford them the opportunity to retire on comfortably substantial income, and many were taking advantage of the scheme.

12. All scheduled courier flights were carried out satisfactorily during the month. Aircraft of the Transport Wing were also used to convey Italian Ministers and Representatives to and from PARIS for attendance at the Peace Conference. Normal flying activity took place during the month but shortage of petrol and maintenance problems restricted flying to an average of 6

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

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

be completely retired before any applications for voluntary retirement would be considered.

PRISONERS OF WAR REPATRIATION.

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AIR FORCES SUB-COMMISSION.

11. The total strength of the Italian Air Force as at the end of August was 26,855. (3,167 officers and 23,688 other ranks.) Two recruiting centres were opened at TARANTO and NOVI LIGURE. The centres were functioning satisfactorily and the recruits showed keen spirit and enthusiasm. The morale of the I.A.F. was generally good although quite naturally it was higher in the flying units with a definite upward increase in efficiency. The new pension scheme was well received by the senior ranks of the I.A.F. It will afford them the opportunity to retire on considerably substantial increase, and many were taking advantage of the scheme.

12. All scheduled courier flights were carried out satisfactorily during the month. Aircraft of the Transport Wing were also used to convey Italian Ministers and Representatives to and from PARIS for attendance at the Peace Conference. Normal flying activity took place during the month but shortage of petrol and maintenance problems restricted flying to an average of 6 hours per pilot per month.

13. The Navigation School at PRATICA was inspected during the month and the general standard of navigation and reconnaissance training was found to be satisfactory. There was no instruction in astro-navigation and in the flying exercises insufficient attention was given to general D.R., search-es and the use of the Beace. Dodo. These points were brought to the attention of the Italian Air Ministry. Training flying continued during the month

5207

in the Light Bomber Wing of particular attention was paid to formation flying.

14. A new Italian aircraft set by Centro was opened at [illegible] and operated successfully. The Italian Aircraft Safety Service has now had a considerable experience and is a reliable force. Three new meteorological stations were opened during the month making a total of 142 reporting stations in the Italian network.

15. During the month about 500 I.M.F. prisoners of war were repatriated.

COMMERCIAL LIAISON SUB-COMMISSION.

16. Postal service was reactivated from [illegible] to IT.IN on 8 August after temporary suspension. Dispatches from IT.IN to HUNGARY were reintroduced on 26 August, full authority for the services having been issued by the Hungarian Control Commission. Internal parcel post was reintroduced in IT.IN on 16 August having been suspended because of handling difficulties.

17. Restoration of normal commercial, personal and governmental radio operations resulted in several essential additions to Italian radio. During the month authority was given to the Ministry of Posts and Telecommunications to lift the ban on amateur radio operation. The Italian Government was authorized to engage in international broadcasting using facilities and frequencies already maintained with a power limitation of 10 KW. This will enable the Italian Government people to present their views and problems to the people of other nations.

18. The Italian Ministry of Foreign Affairs presented a memorandum to the Allied Commission on the British and American Embassies requesting authority to repair the [illegible] and the [illegible] submarine cables. The former was approved and the latter is still being considered. The repair of the [illegible] cable has been already approved. The repair of these cables will enable IT.IN to resume direct communication with [illegible].

19. Reinstatement of long distance telephone facilities resulted in a gain of seven long distance circuits during the month. Agreement was reached between the Allied Forces and the Ministry of Posts and Telecommunications regarding plans for the hand-over of additional long distance telephone lines to the Italian civilian organization for operation. Italian engineers announced the preliminary steps for local circuit changes necessary.

20. The telephone circuit between [illegible] and [illegible] was completed but authority to open the circuit was withheld by Control Authorities in [illegible] who have been asked to review their decision. Operation of the six-channel high-frequency telegraph system with [illegible] was held up due to the inactivity of the Ministry to allot the necessary circuits. A new circuit was opened between [illegible] for the [illegible] operation.

21. Considerable anxiety was felt at the loss of equipment anticipated if the [illegible] which is operated from IT.IN after the Peace Treaty.

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

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18. The Italian Ministry of Foreign Affairs presented a memorandum to the Allied Commission for the British and American Embassies requesting authority to repair the RAGUSA-MALTA and the ...-CRETE sub-marine cables. The former was approved and the latter is still being considered. The repair of the RAGUSA-MALTA cable has been already approved. The repair of these cables will enable ITALIAN to pursue direct communication with ...ATHENS.

19. Re-arrangement of long distance telephone facilities resulted in a gain of seven long distance circuits during the month. Agreement was reached between the Allied Forces and the Ministry of Posts and Telecommunications regarding a plan for the hand-over of additional long distance telephone lines to the Italian civilian agencies for operation. Italian agencies announced the probable structural and circuit changes necessary.

20. The telephone circuit between ...ILAN and ...TURIN was completed but authority to open to the circuit was withheld by Control Authorities in ...TURIN who have been asked to review their decision. Operation of the six-channel high-frequency telegraph system with AUSTRIA was held up due to the reluctance of the Ministry to allot the necessary circuits. A new circuit was opened between MILAN and TURIN for the ...AUSTRIAN Mission.

21. Considerable anxiety was felt at the loss of equipment anticipated if the VENEZIA GIULIA area is separated from ITALY after the Peace Treaty. It is practically impossible for us, changes to be made with existing equipment as presently. It will be necessary therefore, for ITALY to provide additional carrier and repeater equipment for lines in Italian territory in the vicinity of that area.

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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

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

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HEADQUARTERS ALLIED COMMISSION
AP 794

MONTHLY REPORT

JULY - 1946

14 SEP 1946

Ref: 824/EC

September 1946

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MONTHLY REPORT

JULY - 1946

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

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HEADQUARTERS, ALLIED COMMISSION
APO 794

MONTHLY REPORT

JULY - 1946

INDEX

		Page No.
	POLITICAL SUMMARY.....	1 - 2
PART I	AG AND LIAISON GROUP REPORTS.....	3 - 9
	Liguria Region.....	3
	Cuneo Province.....	3 - 4
	Naples, Campania and Calabria.....	4 - 5
	Bolzano.....	5
	AG Udine Province.....	6
	AG Venezia Giulia.....	6 - 9
PART II	CIVIL AFFAIRS SECTION.....	10 - 11
	Legal Sub-Commission.....	10
	Public Safety Sub-Commission.....	10
	Displaced Persons Sub-Commission.....	10 - 11
PART III	ECONOMIC SECTION.....	12 - 14
	Food and Agriculture Branch.....	12
	Commerce (Foreign Trade) Branch.....	12 - 13
	Industry and Utilities Branch.....	13
	Transportation and Shipping Branch...	13 - 14
	Captured Enemy Materials Branch.....	14
PART IV	INDEPENDENT SUB-COMMISSIONS.....	15 - 17
	Navy Sub-Commission.....	15
	Land Forces Sub-Commission (AMA)....	15
	Prisoners of War Division.....	15
	Air Forces Sub-Commission.....	16
	Communications Sub-Commission.....	16 - 17

MONTHLY REPORT

JULY - 1946

INDEX

		Page No.
	POLITICAL SUMMARY.....	1 - 2
PART I	A.C. AND LIAISON GROUP REPORTS.....	3 - 9
	Liguria Region.....	3
	Cuneo Province.....	3 - 4
	Naples, Campania and Calabria.....	4 - 5
	Bolzano.....	5
	A.G. Udine Province.....	6
	A.G. Venezia Giulia.....	6 - 9
PART II	CIVIL AFFAIRS SECTION.....	10 - 11
	Legal Sub-Commission.....	10
	Public Safety Sub-Commission.....	10
	Displaced Persons Sub-Commission.....	10 - 11
PART III	ECONOMIC SECTION.....	12 - 14
	Food and Agriculture Branch.....	12
	Commerce (Foreign Trade) Branch.....	12 - 13
	Industry and Utilities Branch.....	13
	Transportation and Shipping Branch...	13 - 14
	Captured Enemy Materials Branch.....	14
PART IV	INVESTMENT SUB-COMMISSION	15 - 17
	Navy Sub-Commission.....	15
	Land Forces Sub-Commission (G.H.Q.)....	15
	Prisoners of War Division.....	15
	Air Forces Sub-Commission.....	16
	Communications Sub-Commission.....	16 - 17

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

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

POLITICAL SUMMARY

1. The first Government of the new Italian Republic was formed and the names of the new Ministers announced on the 13 July 46. The process, despite considerable difficulties in agreeing upon the political and economic programme and in deciding the new composition of the Ministries, was completed in ten days. Signor DE GASPERI in addition to his duties as President of the Council of Ministers also undertook the office of Minister of the Interior and, ad interim, Minister of Foreign Affairs. (See Appendix A for a complete list of the council of Ministers).

2. The economic programme which was drafted by Signor CORBINO (Ministry of the Treasury) was anti-inflationary in tendency and aimed at reduction in the cost of living as opposed to increased wages. The Communist Party strongly opposed this and demanded salary increases for all workers of at least 20%. In this they received a measure of support from the Socialists who maintained that while inflation had to be avoided, steps should be taken to meet the demands of the needy classes. The solution preferred by the Socialists was that there should be a greater amount of essential commodities at controlled prices. The Christian Democrats insisted throughout the proceedings that no undertakings should be assumed which might undermine the position of the lire. Signor DE GASPERI pointed out that ITALY needed foreign loans which could only be obtained if an anti-inflationist policy were adhered to. A general agreements was finally reached in the economic and financial sphere as also in the field of foreign policy. It was agreed that in foreign policy, the need for joint action in the defence of ITALY's interests on the part of all parties represented in the Government be reaffirmed and it was declared that all the Ministers would share equally the responsibility for the Government's foreign policy. The essential principles of internal policy was to be the maintenance of public order and respect for the law. The objectives of the financial policy were to be the recovery of public finances and the defence of the purchasing power of the lire. With these ends in view the budget was to be divided into two parts, namely - an ordinary and an extraordinary budget, the revenue for the latter having to be derived from an internal loan to be launched next September, from an extraordinary tax on capital and from confiscation of Fascist and war profits. The solution of the salary question took the form of a compromise. It was decided that while the Government must aim at reducing the cost of living, at the same time they would grant all workers a bonus to be known as the "bonus of the Republic". The final point in the new programme was the reaffirmation of the Government's intention to carry out land reform.

3. As a first practical step towards bringing down the cost of living, it was agreed to increase the bread ration to 250 grams per day and the pasta ration to 2000 or 3000 grams per month which would mean according to various estimates an increase in the real value of wages of anything up to 18%.

4. Discussions were held between the three major parties regarding the actual structure of the new Government. The Socialists had previously proposed that the number of Ministries should be reduced to 10 by combining the Ministries of War, Air and Marine into a single Ministry of National Defence and by fusing the Ministry of Finance with the Treasury. However, when announced the Government contained 17 Ministries, two less than before. The number of Ministers was the same as two Ministers without Portfolio had been appointed.

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5. The name of Signor TOGLIATTI was absent from the Government for the reason that he had preferred to remain outside in order to look after the affairs of the Communist Party. Signor NENNI was appointed Minister without Portfolio but will take over as Minister of Foreign Affairs after the Peace Treaty. He is also deputy to the President of Council of Ministers.. 5205

6. Throughout the period of negotiation for the formation of the new Government, news from the PARIS Peace Conference of the decisions of the Four Foreign Ministers continued to cause great consternation in ITALY. The Italian Government prepared its case against what was generally regarded by the Italian people as a harsh and unjust peace. A special Commission was set up in PARIS by the Big Four to draft the Constitution of the Free Territory of TRIESTE. ITALY on being requested to attend, affirmed that she had already made known her fundamental objections to the solution proposed by the Big Four; that as for the present invita-

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

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

invitation, apart from the above objections, she considered the procedure inadequate in view of the gravity and complexity of the problem, and owing to the haste in which the meeting was to be held, the lack of useful discussions, the impossibility of studying the problem carefully, and the ignorance of the principles to be adopted by the Commission, their work would be largely deprived of any value as a practical and effective contribution to the problem or to the satisfaction of just Italian requirements. However, the Italian Government notified its intention of sending experts by the fastest possible means and requested a 24 hour postponement to enable the delegates to arrive in time.

7. ITALY was also invited to send a delegation to PARIS to be heard by the Peace Conference; DE GASPERI will head this delegation.

8. The Italian Press reported extensively and commented bitterly on the decisions of the Council of Foreign Ministers; at the same time there were outbreaks of violence in many cities throughout the country. In every case it appeared that the principal subject of protest by the demonstrators was the decision to internationalize that part of VENEZIA GIULIA between the proposed so-called FRENCH LINE and the area definitely confirmed as Italian. The demonstrations, like the press, assumed a marked anti-Allied tone.

9. In an address to the Constituent Assembly the Prime Minister outlined the Government's foreign policy. In regard to foreign policy, he said, ITALY would seek to obtain an ethnic frontier to the East; he affirmed ITALY's will to collaborate with JUGOSLAVIA, and asked, with reference to the Western frontier, that ITALY be consulted on all problems regarding FRENCH claims. He concluded by saying that the Government would not pledge its word on a peace treaty before consulting the Constituent Assembly, to which the law gives the right to decide whether any treaty is to be signed or rejected.

10. In an effort to obtain support for ITALY's cause among nations other than those represented in the Council of Foreign Ministers, Signor NENNI made a trip to the capitals of NORTHERN EUROPE with the avowed purpose of explaining ITALY's position. Count SFORZA arrived in SOUTH AMERICA on a similar mission.

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

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

PART I - LIAISON GROUP REPORTS

LIGURIA REGION.

1. During the month the interest of the population was centred mainly on the activities of the Foreign Ministers in PARIS, especially in regard to TRIESTE and the readjustment of the FRANCO-ITALIAN border. The possible loss of pre-fascist colonies caused [illegible] concern while a more moderate view was taken generally of the disposition of territory acquired during the fascist regime. The people were looking to their new Government for alleviation of unemployment and the high cost of living, and efforts were made to enforce the Government's decision regarding the employment of "Reduci" by private firms. There was considerable opposition to this by industrialists and the owners of private firms.

2. All Police agencies in the Region continued to function reasonably efficiently. The Vigili Urbani were issued with well fitting summer uniforms and presented a very smart appearance. Carabinieri were not so fortunate, their uniforms being ill fitting and badly made. Law and order were satisfactory, and there were no security problems. The prison situation was reasonably good although overcrowding continued to present a problem.

3. Many complaints were made during the month in respect of the poor quality of bread issued. A slight reduction was made in the extraction rate. Fruit was plentiful but expensive. Sugar and fats continued in short supply. The agricultural situation was generally satisfactory although there continued to be an urgent need for fertilizers.

4. In the Province of IMPERIA there was an outbreak of disease thought at first to be dysentery but which later proved to be abdominal typhoid. The epidemic was investigated and quickly controlled, no further cases being reported.

5. Rail connections between GENOA and PIEVE LIGURE and between CAMPASSO and PIEVE LIGURE were expected to be in operation on 5 August 46. Digging and masonry work proceeded on tunnels and the doubling of the line between STAZZANO and ARQUATA was approximately 50% complete. The laying of the second line between RIVAROLO and S. MARGHERITA and of the siding at MELEGNATI were completed. During the month a total of 341,191 tons was loaded in the station of GENOA, 43,053 tons in SAVONA and 179,038 tons in other stations.

6. The [illegible] of Allied merchant seamen continued to cause great confusion. Cases of smuggling by Allied seamen occurred almost daily but if fined by the Italian authorities these can generally refuse to pay such fines and the matter then becomes one of adjustment between the Italian authorities and the ship's master.

CENTRO PROVINCE.

5204

7. There was little political activity in the [illegible]

Government's decision regarding the employment of "Reduci" by private firms. There was considerable opposition to this by industrialists and the owners of private firms.

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4. In the Province of IMPERIA there was an outbreak of disease thought at first to be dysentery but which later proved to be abdominal typhoid. The epidemic was investigated and quickly controlled, no further cases being reported.

5. Rail connections between CAMPASSO and RIVIO SUPERIORE and between CAMPASSO and RIVIO REVAROLO were expected to be in operation on 5 August 46. Digging and masonry work proceeded on tunnels and the doubling of the line between SESTRI and ARQUATA was approximately 90 complete. The laying of the second line between RIVOLI and S. MARTINO and of the siding at MULINETTI were completed. During the month a total of 341,191 tons was loaded in the station of GENOA, 40855 tons in SAVONA and 179,038 tons in other stations.

6. The status of Allied merchant seamen continued to cause great confusion. Cases of smuggling by Allied seamen occurred almost daily but if fined by the Italian authorities these men generally refuse to pay such fines and the matter then becomes one of adjustment between the Italian authorities and the ship's master.

CUNEO PROVINCE.

5204

7. There was little political activity in the upper ROYA Valley. The majority of people appeared to have recovered from the shock administered by the announcement of the decision of the Foreign Ministers in PARIS. However, there was a general feeling of optimism regarding the possibility of the decision being reversed. There were no incidents of any kind during the month and only two meetings took place which might be regarded as demonstrations. One was held at SAN DALMAZZO and addresses were given by the Under-Secretary of State for Foreign Affairs and an Italian Captain who had been a partisan leader. Two telegrams were read, one for despatch to the Big Four, the other to the Italian Government. The second meeting was the occasion of a Mass celebrated on Mt. SACCARELLO by the Bishop of VENTIMIGLIA and attended by a large crowd. Speeches were made regarding the Italian

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

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

character of [illegible] and BRIGA. General Giacomo Lombardi was appointed Commissario Prefettizio of the Comune of Tenda. The General submitted to the Italian Government a memorandum setting out his views on a satisfactory solution to FRANCE and IT LY of the upper ROYA Valley problem. His memorandum dealt with problems relating to the High Power Stations, pasturage, timber, inhabitants and the strategical situation. His view was that if the high power stations eventually go to FRANCE it will provoke a crisis in the industries of LIGURIA, but he believed it possible for FRANCE and ITALY to reach an agreement on this problem by a proper distribution of the power. His suggested solution was to make the High ROYA Valley a "Zona Franca" similar to the ROYA Valley Industry, this he believed, would guarantee an administrative and commercial independence that would satisfy both ITALY and FRANCE.

8. There was some unemployment, mainly among returned prisoners of war, discharged soldiers and men returned from forced labour abroad. It was difficult to find employment for these men as most of the trades in the valley are specialized e.g. timber cutting, hydro-electric work etc. Efforts were being made to induce contractors to employ as many local men as possible.

9. Work on the road tunnel connecting TENDA with BRIGA was near completion and the tunnel reopened to traffic. It was hoped to have all repairs and rebuilding on bridges and road banks completed by the end of August. The railway tunnel which was used for road traffic of all kinds prior to the reopening of the road tunnel was closed. This gave rise to considerable discontent among the people engaged in the timber industry and in road haulage as many of the large trucks used to carry wood are unable to negotiate the hairpin bends leading to the road tunnel but used to use the rail tunnel. The result was that removal of timber from the valley decreased. No official reason was given for the closing of the tunnel although rumours were rife. Carabinieri were perturbed as drivers and timber workers were threatening to take action. Application was made through Carabinieri Headquarters to the Genio Civile for the official reason for closing the tunnel. Information from the Commissario, however, was that streams in the mountain over the tunnel have caused an earth movement which constitutes a danger and it is considered necessary to completely rebuild the tunnel. The rebuilding of two bridges near BRIGA was needed.

10. The cost of living increased in the valley and prices were higher than in CUNEO. As there are no Co-operative Stores in TENDA & BRIGA, the people are at the mercy of the shopkeepers.

11. As the railway does not operate beyond VENTIMIGLIA, communication is maintained between the frontier , BRIGA, TENDA, SAN DALMAZZO and the railhead by means of trucks owned by the State Railways operating as Couriers. There were two transport companies operating in the valley: one for the transport of timber and the other for coal used in the manufacture of glass.

MAYERS, CAPTAIN, R.A.M.C.

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

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9. Work on the road tunnel connecting TERNI with LE CASE was near completion and the tunnel reopened to traffic. It was hoped to have all repairs and rebuilding on bridges and road bends completed by the end of August. The railway tunnel which was used for road traffic of all kinds prior to the reopening of the road tunnel was closed. This gave rise to considerable discontent among the people engaged in the timber industry and in road haulage as many of the large trucks used to carry wood are unable to negotiate the hairpin bends leading to the road tunnel but used to use the rail tunnel. The result was that removal of timber from the valley decreased. No official reason was given for the closing of the tunnel although rumours were rife. Carabinieri were perturbed as drivers and timber workers were threatening to take action. An application was made through Carabinieri Headquarters to the Genio Civil for the official reason for closing the tunnel. Information from the Carabinieri, however, was that streams in the mountain over the tunnel have caused an earth movement which constitutes a danger and it is considered necessary to completely rebuild the tunnel. The rebuilding of two bridges near NARNI commenced.

10. The cost of living increased in the valley and prices were higher than in CAMPO. As there are no Co-operative Stores in TERNI & NARNI, the people are at the mercy of the shopkeepers.

11. As the railway does not operate beyond VALLEMAIO, communication is maintained between the frontier, NARNI, TERNI, and RIETI and the railhead by means of trucks owned by the State Railways operating as Couriers. There were two transport companies operating in the valley: one for the transport of timber and the other for sand used in the manufacture of glass.

NAPLES, CAMPOBASSO, CALABRIA.

12. Political meetings were few during the month and a quiet atmosphere prevailed. The excitement over the Referendum and the elections died down although there was an undercurrent of disappointment at the results of the Referendum and the decision of the PARIS Peace Conference.

13. The crime situation was normal during the month with theft predominating. There were seven cases reported of hold-up of cars and trucks by deserters or persons dressed in Allied uniforms. Disturbances occurred almost simultaneously at POZZUOLI, CASERTA, MONTEMITRO, TORRE ANNUNZIATA and in CALABRIA; these were caused by ex-POW demanding work. There was a demonstration by farmers in AVELLINO against the Italian Government Agrarian Inspectors who were collecting details of the harvest.

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

14. Reports of the harvest continued to be good but amassing results were small. The basic bread ration was increased to 250 grams per day. White bread and white flour were on sale in many districts. Fruit, vegetables and milk were plentiful.

15. A further strike of petrol distributing agencies (C.I.P.) occurred in July and a strike of short duration also took place at the ALFA ROMEO Works. Employment by the Allies continued to fall slowly, the numbers so employed being 30,000 at the end of the month. Unrest due to unemployment was manifested in a number of places. Schemes for giving employment on a large scale continued to be delayed. The general rise in wages tended to unbalance labour economy. Some progress was made towards derequisitioning and the ALDALDO Works at POZZUOLI were reopened. There continued to be considerable agitation over requisitioned premises; mainly against those cases where the properties did not appear to be fully utilized.

16. As anticipated, typhoid increased with the hot weather; eighty five cases were reported as against 35 for the previous month. The relief service of free meal provided by the Roman Catholic Church in NAPLES discontinued as is usual until next winter. The E.C.A. (Ente Comunale Assistenza) and the Assistenza Nazionale Partigiani continued to provide meals at low cost.

BOLZANO PROVINCE.

17. The hopes of the Volkspartei were raised by the debate in the British Parliament on the South Tyrol. As their claims are to be heard at the Peace Conference they considered that a chance still exists for annexation to AUSTRIA. There was little of political importance in the Province during the month. The most notable event was the agreement in writing of the Volkspartei to cooperate fully with the Italian Government on the subject of regional autonomy. The option decree was eagerly awaited, although the feeling was among the German speaking people that their interests in this respect were being safeguarded.

18. Public Safety conditions in the Province were excellent and relations between Allied Forces and Italian Police were good.

19. There was no shortage of food either in the towns or villages and the distribution of rationed foodstuffs was satisfactory. The agricultural situation was satisfactory although insecticides were in short supply. A regular service of fruit trains conveying South Tyrolean fruit from MILAN direct to ENGLAND and from BOLZANO to STOCKOLM was organized and ran satisfactorily. It is hoped to export wine next year. There was an abundance of fruit in the Province and prospects were bright for a good wine harvest.

20. There was little change in the industrial position; lack of coal and raw material hampered production. Some of the factories in the area will be compelled to close down unless solid or liquid fuel is forthcoming.

21. The Swiss authorities set up a bureau in MILANO for the enrolment of servants, barmen, waiters, hotel attendants, etc. thus providing employment although there was not in fact any serious unemployment problem in BOLZANO.

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22. There was an outbreak of typhus alleged to have been brought by children on holiday from the South. This was successfully handled by the local medical authorities.

- 5203

23. The Displaced Persons Corp was handed over to the Italian authorities on 31 July. C.R.X. (GERMANY) were doing their utmost to persuade Zone Commanders in GERMANY to accept their quota of displaced persons but so far without result.

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

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

AMG UDINE

24. During the month all sections of the public expressed discontent at the Foreign Ministers' proposals for the treatment of TRIESTE and the IT.LO-SLAV boundary. Some anti-allied feelings were expressed due to the alleged harsh terms of the proposed treaty. Further requisitioning led to many complaints and there was a noticeable lack of cooperation by officials in UDINE excluding the Prefect. Slav propaganda appeared to have decreased slightly. A strong rumour that TARVISIO might be ceded to the Slavs in exchange for some part of ISTRIA resulted in a deputation from the Commune calling upon the Prefect protesting against any such suggestion. The rumour was denied by the Foreign Ministry.

25. The Public Safety situation showed some improvement during the month. There was a general decrease in the number of crimes reported. Unemployment and economic conditions gave rise to considerable uneasiness and were the cause of numerous strikes and demonstrations. However, no serious disorders occurred. Morale and efficiency of the Carabinieri were reasonably satisfactory. Dissatisfaction was felt at the elimination and epuration of efficient members of the force when at the same time notorious fascists were being pardoned under the recent amnesty. Guardia di Finanza performed useful work in connection with the grain crossing. The position as regards prisons was greatly relieved by the recent amnesty. Internal discipline and morale of prison guards improved due to better conditions of pay and allowances.

26. The bread ration was increased from 200 to 250 grams on the 21 July and the pasta ration increased to 2000 grams. Normal distribution of other foodstuffs continued. During the month two shiploads of wheat totalling 15,275 tons arrived for UDINE. The crossing of wheat proceeded satisfactorily. 20,863 tons have been crossed and it was estimated that more than 30,000 tons would be crossed before the campaign ended, (the actual target figure was 27,000 tons). On the ration basis of 250 grams there will be a sufficient supply of wheat available to the 11th February 1947. The state of crops was very good and a high yield of potatoes, beans, forage and grapes was expected.

27. The full allocation of 6000 tons of coal was received which materially assisted industrial revival particularly in the cement industry. Export permits were granted to the two cement factories at CIVIDALE.

28. During the month Public works projects totalling 48,831,775 lire were approved. Unemployment relief by Public works programmes reached its full volume. Unemployed figures were approximately 54,000, nearly double that of VENEZIA GIULIA. Public opinion was seriously disturbed by the lack of irrigation facilities and the slow progress in financing public schemes. High prices continued to be the cause of considerable dissatisfaction.

29. A total of 2614 displaced persons passed through the Refugee Centre; of these 2,163 were Italians, the balance being made up of POLES, RUSSIANS, JUGOSLAVS, HUNGARIANS, AUSTRIANS and GREEKS.

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

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30. The total number of cases tried by AMG Courts in the Province during the month was 51 of which 34 were Superior Court Cases. Italian Courts continued to function satisfactorily.

AMG VENEZIA GIULIA.

31. Both Italian and pro-Yugoslav elements were extremely active during the month. The PARIS decisions were unacceptable to either side of the general public and the impression gained was that the free Giulian State proposed in PARIS was not considered by either side as a permanent institution but rather as a prize to be collected at some later date by one or the other. However,

it would appear that the hysteria of numerous Italian press publications represents the views of extreme nationalists rather than that of the Italian general public. On 1 **July** the U.I.S called a strike which took on a very violent character. On 11 **July** bands of strikers and sympathising Jugoslavs from the surrounding country districts descended on the city of TRIESTE and for a few hours the town was to some degree in the hands of Communist strikers and SLOVENE peasants. The strike was called off on 12 July without any of the strikers' demands having been met. The outstanding feature of Jul 's disorders was the attempted anti-Allied manifestation which resulted only in ugly fights between Italian elements and Allied soldiers. This manifestation was fostered avidly by the local Christian Democrat and Action Parties backed by irresponsible newspapers.

32. Heavy demands were made on the Civil Police during the month. During the General strike (between the 1st and 12 July) called by the U.I.S a total of 441 arrests were made; 136 civilians were injured and 3 killed. Police casualties consisted of 1 killed and 11 injured. Serious injuries were also sustained by Allied personnel. After the Civil Police had been fired upon several times the Corps Commander on 1 July authorised them to carry arms on ordinary patrols during the day. The 12 critical days of the strike were characterised by small and more frequent demonstrations, fights between mobs of opposing factions and attacks by them on their respective party buildings. Frequent use of firearms was made by civilians and several cases of grenade throwing occurred resulting in damage to property. Following the declaration of the illegality of the strike the police were very active in preventing transport of foodstuffs from Zone "B" into the occupied territory for the purpose of feeding the strikers. The morale of the Police Force was well maintained due principally to the active participation in operations of Allied officers and armed auxiliary police both American and British who were called out to assist. In VENEZIA GIULIA "ordinary crimes" (i.e. non-political crimes) decreased. Thefts in the marshalling yards in TRIESTE decreased due to the posting of additional guards. Although persistent thefts from wagons in the yard are admitted the alleged thefts of UNRRA supplies destined for JUGOSLAVIA are strongly refuted.

33. Practically all the Political crimes occurred during the first few days of the month particularly while the illegal strike was in progress. They were mostly offences against persons (assaults etc) although there were numerous cases of damage to property. The difficulty with the political crimes was that normally none of the parties concerned would assist the police due to fear of reprisals and sometimes fear of investigation into their own activities. The activities of the Jugoslav elements who abduct people, usually Jugoslavs who take them into Zone B were a cause of grave concern to many people particularly those Jugoslavs who were reduced to a state of terror. By comparison with pre-occupation standards the crime figures would be considered satisfactory if it were not for the number of crimes directly due to the extraordinary political situation. On the night of 6 July a number of Allied service personnel in TRIESTE retaliated vigorously and effectively when 40 Allied soldiers were attacked or stoned by about 1000 excited Italians. The attack was the climax of an anti-Allied outburst following the publishing of the Big

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

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

[illegible] offends [illegible] Allied soldiers. This manifestation was fostered mainly by the local Christian Democrat and Action Parties backed by irresponsible newspapers.

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34. The prison population showed a slight increase and although the prisons contained over 35 of their normal capacity conditions as regards hygiene and sanitation were very good.

35. A General Court met in TRIESTE on 6 July and continued until 27 July to try 7 members of the VENEZIA GIULIA Police Force charged in connection with the SLOVENE Church Fire incident in March. Charges were pre-intentional homicide and assault with intent to inflict bodily injury. All defendants were acquitted. (For further information on Legal activities VENEZIA GIULIA see Legal Sub-Commission).

5202

36. Revenue from indirect taxation showed a marked increase. Revenue for 1946/47 was estimated at 2,961,000,000 Lire. Local Government indirect taxes steadily increased although they do not provide nearly sufficient revenue to meet expenditure. Certain Slovene communes, intimated that they would pay no further taxes under AMG Administration being of the belief that they would shortly become part of JUGOSLAVIA.

37. Economic conditions remained unchanged. There were the usual demands for increases in wages, the latest being from the laborers. The major economic problem was the movement of people and goods from POLA. Most of the movement was by sea and no transportation difficulties were encountered. The numbers of people desirous of removing from POLA to Zone A were said to be in the vicinity of 28,000.

38. Normal rations were distributed during the month with the exception of pasta. It was intended to reinstate the 3000 grams monthly pasta ration but late arrivals of flour prevented full distribution. The balance will be distributed in August. The bread ration was increased from 200 to 250 grams. POLA's special 1,000 grams ration was not increased. A plan was devised during the month to provide an alternative source of bread supply in the event of the threatened bakers' strike. VENICE CIVILIAN and military police confiscated some 50 tons of contraband foodstuffs, largely imported from Zone B for distribution to civilians. Sufficient rain in May and June resulted in a successful harvest of grains, fruits and vegetables. The hay and fodder supplies although locally short of last year were not sufficient and will soon importing hay from other parts of ITALY. Repairs to war damaged properties and drainage of land flooded by the Germans was a contributing factor to the excellent harvest. Reconstruction projects were carried out and further plans drawn up.

39. Due to many moonless nights July showed a 25% increase in fish over June. 250 tons were brought into TRIESTE and further reductions in prices were made.

40. Industry during the month was adversely affected by the general strike. The strike, backed by the pro-Yugoslav element was by no means complete and a considerable number of strikebreakers remained at work. Resumption of work on 13 July resulted in clashes between non-strikers and ex-strikers. These clashes became progressively worse and at the CANTIERI OF S. MARCO and CANTIERI OF S. ROCCO the police units were unable to control the situation. To prevent threatened destruction, the directors of the CANTIERI RIUNITI DELL'ADRIATICO on their own responsibility and without prior reference to AMG closed these two yards on 16 July, affecting 10,000 workers. The Yard was reopened on 19 July under the control of the Chief Industries and Utilities Officer in charge, assisted by 2 American and 2 British officers of AMG. Fifty American and fifty British troops were provided for the maintenance of law and order. The strike terminated and gradually settled down. Allowing for normal absenteeism, attendance was gradually built up. From the start, workers appeared well pleased and a good amount of production was maintained. On 31 July both yards were returned to normal management, one AMG Officer remaining at each yard as an observer. Textiles, electrical engineering and building materials continued to be the most important sections of industry. Orders were obtained from [illegible] shipowners for 20 ten cargo vessels. Port reconstruction,

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

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

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41. All projects for the repairs of war damaged Case Popolari were approved and work was in progress. Contracts were awarded for the enlargement of the children's hospital and for the first block of communal apartments. Work on roads and bridges continued.

42. Employment increased 375 over the previous month but the new housing and reafforestation projects should bring some relief. The Sindaci Unici continued their agitation through the press immediately the general strike was suspended.

43. Public Health remained good. The general strike did not extend to hospital workers and hospitals and institutions functioned normally.

44. Movement of displaced persons continued; 1338 refugees were repatriated during the month. Public assistance work increased as refugee movement from Zone B to [illegible] continued.

45. Teachers training courses were established at GORIZIA and TRIESTE for the preparation of Slovene elementary and secondary school instructors. Candidates are paid while attending these courses. The non-sectarian Boy Scouts of VENEZIA GIULIA held a 3 week summer camp opening its first camping season since the abolition of the Scout movement by Fascism.

46. The telephone company took over from the military the repair work and installation of most military circuits. Arrangements were being made with the [illegible] authorities for the installation of a six-channel telegraph system between VENICE and TRIESTE. This will give possible circuits to ZURICH and [illegible] if required. A telegraph circuit was opened between TRIESTE and PARIS.

47. Patriot organizations remained outwardly calm during the month, but it was evident that partisan formations are regrouping and endeavouring to return so as to be in a position to meet any calls made on them by their respective countries. As was the case during the war, headquarters of the partisan formations operating in the territory are situated outside Zone A. Italian partisans in VENEZIA GIULIA were reminded not to follow the general policy of partisan associations of returning all certificates and awards given by the Allies, as a protest against the decisions of the Foreign Ministers.

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

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5201

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

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

PART II

CIVIL AFFAIRS SECTION

LEGAL SUB-COMMISSION

1. Allied Military Courts were in session during the month in VENEZIA-GIULIA and the Province of UDINE. Superior and Summary Courts were held in both these areas and a General Court was convened in TRIESTE. In VENEZIA GIULIA 108 accused were tried on 140 charges by Superior Courts and 120 accused were tried on 157 charges by Summary Courts. These figures showed an increase in cases tried by Superior courts and a decrease of Summary Court cases in comparison with June figures. The greater number of cases handled by Superior Courts may be attributed largely to Civil Disturbances which occurred in this area recently. The lesser number of cases disposed of by Summary Courts may be considered as indicative of a more normal trend.

2. Italian Courts continued to function reasonably well. One Allied officer was appointed to maintain contact with Italian Courts to help expedite disposition of cases.

3. Review of all AM sentences continued. The Italian Branch was active during the month of July, and among the legal matters which necessitated dealings with the Ministry of Justice and other Italian authorities may be listed:

Status of Allied merchant seamen in Italy; sales of bulk during AM administration; implementation of Italian Laws and decrees in UDINE PROVINCE; claims from the REPUBLIC of SAN MARINO, PRINCIPALITY OF MONACO, the GREEK Delegation and various private concerns; shipping rights of Italian fishermen in JUGOSLAV waters; claims by the Jugoslavs for the restoration of shipping seized by Italians and a number of other JUGOSLAV claims; legislation in VENEZIA GIULIA; extent of the Amnesty; rights of stateless Jews; alleged war criminals in ZONE "A" claimed by Jugoslavs. Conferences at the Ministry of Justice regarding documents required in Italian law relating to marriages between Allied Nationals; correspondence relating to War Crimes; correspondence with the Procurators Generali of various tribunals regarding trials where Allied interests are concerned; transmission of petitions from persons convicted of War Crimes for consideration by the appropriate authorities, and correspondence with Procuratore Generale Militare. Considerable work is given to this Branch in the preparation of memoranda requested by the Ministry of Justice for the release of A.M.G. prisoners on conditional liberty.

PUBLIC SAFETY SUB-COMMISSION

4. The month passed without any serious incidents in Italian Government Territory. There were a number of minor demonstrations in consequence of unemployment and high cost of living, but public order was restored in every case without drastic measures being taken by the Police Forces.

5. In UDINE public order was tranquil throughout the month, but in VENEZIA GIULIA serious disturbances occurred almost daily during the first half of July. The trouble arose when Jugoslavs demonstrated against an Italian cycle race, interfering with the cyclists near MONFALCONE on 30 June 46. Counter demonstrations in TRIESTE by Italians led to a general strike being declared which lasted until 12 July. In the resultant demonstrations by both Italians and Jugoslavs

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

2. Italian Courts continued to function reasonably well. One Allied officer was appointed to maintain contact with Italian Courts to help expedite disposition of cases.

3. Review of All PW sentences continued. The Italian Branch was active during the month of July, and among the legal matters which necessitated dealings with the Ministry of Justice and other Italian authorities may be listed:

Status of Allied merchant seamen in Italy; sales of ballast during AMG administration; implementation of Italian laws and decrees in VENEZIA GIULIA PROVINCE; claims from the GOVERNMENT of SAN MARINO, PRINCIPALITY OF MONACO, the CZECH Delegation and various private concerns; shipping rights of Italian fishermen in JUGOSLAV waters; claims by the Jugoslavs for the restoration of shipping seized by Italians and a number of other JUGOSLAV claims; legislation in VENEZIA GIULIA; extent of the Amnesty; rights of stateless Jews; alleged war criminals in ZONE "B" claimed by Jugoslavs. Conferences at the Ministry of Justice regarding amendments required in Italian law relating to marriages between Allied Nationals; correspondence relating to War Crimes; correspondence with the Procurators General of various tribunals regarding trials where Allied interests are concerned; transmission of petitions from persons convicted of War Crimes for consideration by the appropriate authorities, and correspondence with Procuratore Generale Militare. Considerable work is given to this Branch in the preparation of memoranda requested by the Ministry of Justice for the release of A.M.G. prisoners on conditional liberty.

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DISPLACED PERSONS

6. Reference Monthly Report of HQ., Allied Commission, for Month of May 1946.

The second sentence of para 8, page 25 of a/m report reads as follows, "The handover to UNRRA of Displaced Persons Camps is now completed".

Please amend to read, "The handover to UNRRA of Displaced Persons Camps is now partially completed."

4. The UNRRA/SACMED agreement was signed during the month and becomes effective on 1 August 46. As a result of this agreement, complete responsibility and the administrative control for Camps and other installations maintaining displaced persons eligible for UNRRA care is transferred from Allied Commission to UNRRA. The initial exchange of acceptable and non-acceptable displaced persons between UNRRA Camps and Camps retained by Allied Commission was completed.

5. Approximately 1,500 POLES (Military and Civilian) were moved from ITALY to the UK by rail. Only specified categories of POLES will be eligible to be moved as dependents of members of POLCOMPS to the UK. The position of Italian wives of Polish troops was under discussion.

6. As a result of continued endeavours the GERMAN Camp at BOLZANO was handed over to the Italian Authorities on 31 July 46. The prospects of the early repatriation to GERMANY of the inmates did not appear to be any nearer.

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

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5200

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

PART III

FOOD & AGRICULTURE (cont'd)

1. The wheat situation throughout July was unusually favorable inasmuch as stocks in hand were considerably above immediate requirements. Receipts from local sources and from imports during the month were much greater than consumption. As a result the month ended with stocks on hand of about a million and a half tons of wheat or sufficient to support the present bread and pasta ration of 250 grams and 2000 grams respectively for 120 days.(Due to the improvement in the wheat situation, the Italian Government restored the pasta ration to 2000 grams per month on 1 July and increased the bread ration to 250 on 10 July.)

2. Much progress was made during the month by the Italian Government in repaying food loans to British S & T on the account of Middlewest Meals. All loans other than flour were repaid up to 30 June. Advances of meat, sugar, lard, dried vegetables and dried soup were made to the British Army to supply Displaced Persons Camps under the supervision of Allied Commission.

3. The arrival of two wheat and one flour ships during July placed UDINE and VENEZIA GIULIA in a relatively good position in respect to these commodities. Balancing results were good in UDINE and supplies of wheat were sufficient to maintain the bread and pasta rations in that Province until 20 January 1947. The corresponding date for VENEZIA Giulia, 27 September 46, while not so distant as that at UDINE because of much smaller local production, is satisfactory.

4. Good weather for harvesting and threshing prevailed during July in all parts of ITALY except the extreme Northern Provinces where local rains interfered to some extent with these operations. Seasonally dry weather was experienced throughout central and Southern ITALY and approached drought conditions in so far as the production of green vegetables and fodder were concerned. However there was no serious concern evident. Reports on wheat yields were very satisfactory although no final figures on production are yet available. The estimated total production is 5,976,220 tons but it will probably be raised to over 6,000,000 tons after all figures are received. Corn (maize) gave promise of a heavy yield due to favorable weather conditions. Most of the hay in the Southern Provinces was cut and the lifting of sugar beets commenced. Wheat sowing continued satisfactorily in most Provinces except in the [illegible] Provinces where were disappointing. Control measures have never been popular in [illegible] and the disappointment felt there over the referendum results has not resulted in a strong desire to cooperate with the new republican government. Total wheat collections for all ITALY as in July was 2, 366,000 tons.

5. No agricultural supplies against SA and IB or WP requisitions were received during the month. Four ships carrying such supplies were en route and due to arrive early in August.

6. Good progress was made in both UDINE and VENEZIA GIULIA in ensuring the new crop of wheat. An extensive plan of reclamation in VENEZIA GIULIA for the autumn and winter was prepared.

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

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5. No agricultural supplies against SA and II or IT requisitions were received during the month. Four ships carrying such supplies were en route and due to arrive early in August.

6. Good progress was made in both UDINE and VENEZIA GIULIA in sowing the new crop of wheat. An extensive plan of reclamation in VENEZIA GIULIA for the autumn and winter was prepared.

COMMERCE (FOREIGN TRADE) BRANCH.

7. As a result of communications from Civil Affairs CAIRO and discussions held with the Italian Ministry of Foreign Trade in June, the views of the Italian Government regarding trade between TRIPOLITANIA, CYRENAICA, and CYRENAICA were submitted to the respective Military Administrations. The present position as regards trade between ITALY and her former Colonies is on a provisional basis. Compensation trade, never satisfactory, was dispensed with, payments being made in sterling. Imports and exports will be controlled in the same way as all other countries not having a trade agreement. Military Administrations were supplied with full information regarding the type of controls in force in ITALY and the goods they affect. Information as to controls in force in the ex-Colonies, together with lists of goods to which they refer were requested for onward transmission to the Italian Government. This information will be published in the Foreign Trade Information Bulletin so that Italian merchants may acquaint themselves with the conditions

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

under which trade can be conducted. One point awaiting clarification was that of Customs procedure. The Italian Preference System for the areas under [redacted] operation remains in force and the Italian Government wishes to know whether the reciprocal system can be maintained.

8. During the month several requests were received from the Italian Government regarding the import from GERMANY of special items such as steel and alternators for the MONTECATINI electrical plant under construction at GI[illegible]. These requests were passed on to the appropriate Allied Authority in GERMANY and replies are awaited.

INDUSTRY & UTILITIES BRANCH.

9. Considerable success was achieved during the month in the derequisitioning or partial release of numerous industrial premises including a tobacco warehouse, a grain warehouse, a wire and nails plant, a printing firm and a textile plant. Little progress was made in the areas occupied by 13 Corps or the Base depots of NAPLES and LEGHORN and the question was taken up with AFHQ from whom a reply is awaited.

10. The coal situation throughout ITALY showed considerable improvement. Shipments from the U.S. were resumed and arrivals from the RUHR totalled approximately 100,000 tons. Approximately 514,000 tons of imported coal from all sources arrived during the month compared with 135,000 tons last month. SARDINIAN coal production for the month was 95,514 tons, an increase of 17,539 tons over June. Lignite production continued at about 160,000 tons per month (the equivalent of 64,000 tons of hard coal). Final arrangements for the purchase of 15,000 tons of POLISH coal by UNRRA for ITALY were made.

11. The distribution of petroleum products was interrupted during the month by a sudden strike of C.G.I.L. employees at GENOA on the 15th and which, by next day, became effective over the whole country. During the period of the strike incoming tankers were discharged with one exception. The strikers did not interrupt deliveries to the Allied Armed Forces nor to British and American Embassies, but all Italian and other categories of civilian Consumers including UNRRA were unable to obtain supplies of POL. The Italian Government after being unsuccessful in making the CGIL call off the strike issued an order placing all the petroleum installations under Italian Military control and calling on, under penalty of fines and imprisonment for refusal, all key personnel to distribute P.O.L. to essential services and to UNRRA. The Government again took up negotiations with the strikers' representatives and an agreement was reached late on Saturday 20 July. The critical situation which existed in June in heavy motor lubricating oils improved during the month.

12. No important generating units were restored to service during the month. However, a 12,000 KW unit at the natural steam plant in the LARDARELLO area and a 10,000 KW unit at PESCARA are due to be restored and begin production in the early part of August. These machines will furnish power to the CENTRAL and SOUTHERN ITALY grids. Due to an estimated deficit of 13 electric power requirements brought about by the drought conditions which affected stream flow plants, the Central Commission for the distribution and Utilisation of Electric Power of the Italian Government issued a formal order directing that all consumers, with certain exceptions, reduce their consumption of

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

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

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TRANSPORTATION & SHIPPING BRANCH

5199

13. There was a heavy increase in rail passenger traffic during the month, especially to sea and mountain resorts. This made the scarcity of passenger stock felt more acutely. Many new services were introduced and numerous bi and

tri-weekly services were increased to daily services. A new fast service between ROME and MILAN was introduced, the journey being timed for 12,05 hours.

14. There was a general increase in freight traffic especially at the ports, due to arrival simultaneously of grain and coal cargoes. The average port loadings during the month were 1457 wagons of which 505 were coal and 183 grain. During the last fortnight average daily loadings were 2000 wagons. The demand for wagons far exceeded the supply and the situation was critical.

15. Electrification was completed on a total of 64 kilometers and direct communication resumed between BOLOGNA and PADUA.

16. The Italian Government agreed to become a party to the international agreement of fuel coupons. Instructions were issued at the same time to facilitate the issue of fuel coupons to foreign tourists.

CAPTURED ENEMY MATERIALS HELD

17. The total number of releases of A.M.G. ends to the Italian Government during July numbered 141 as compared with 79 in June. Included in these releases was a large Signal Depot in [redacted] consisting of quantities of Italian and German signal equipment of considerable value. Other releases consisted of 500 MT vehicles, 59 electric motors, 14 snow ploughs and snow clearing equipment, film processing machinery and thousands of tons of boats and ammunition.

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

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

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

PART IV

DEPARTMENT SUB-COMMISSIONS

NAVY SUB-COMMISSION

1. Repatriation of Italian Prisoners of War continued to be the principal occupation of the active units of the Italian Fleet. The cruisers MONTECUCCOLI and DUCA degli ABRUZZI made a combined total of five trips to PORT SAID returning 4,800 prisoners on each return trip. In addition the transport MINAGLIA, the AMERIGO and CITTA' di ALESSANDRIA were employed in this service. The ex-hospital ship TOSCANA was employed in repatriating Italian civilians from MASSAWA. Italian minesweeping units continued to make progress in clearing the coast of mines and underwater obstructions.

2. A considerable quantity of naval materials of all kinds recovered in NORTHERN ITALY were turned over to the Ministry of Marine for the maintenance of the Italian Navy. In addition ammunition of Italian origin was returned to the Italian Navy for arsenal stocks, or to be destroyed. Three small motor launches were made available to the Ministry of Marine by the Air Forces Sub-Commission.

3. During the month, the Ministry of Marine reported that the Italian Navy's SARDINIAN coal allocation for July had been completely suspended by the Ministry of Industry and Commerce pending the results of an inspection by the latter of the Italian Navy's coal consumption with a view to attaining greater economy. Strong representation was made through UNRRA to the Italian Ministry of Industry and Commerce to obtain the allocation for the month pending the completion of the inspection. These were successful and any deductions will be made in August. While arrangements were being completed for the supply of coal to Italian Navy Mines sweepers at GENOA by UNRRA, the Ministry of Marine was able to transfer sufficient stocks of coal to GENOA for their use.

4. A representative of the Navy Sub-Commission accompanied the Demilitarization Committee to the Islands of PANTELLERIA, LAMPEDUSA and LINOSA.

LAND FORCES SUB-COMMISSION

5. The total strength of the Italian Army on the end of July was 214,604 including Carabinieri (64,120). Disbandment of Br - ITI units continued; there were only six remaining at the close of the month. Application for the disbandment of three of these was made. The remainder were employed in guarding Prisoners of War at RIMINI. Disbandment of US - ITI units was slow and behind programme.

6. Release of transport by the War Ministry continued to be unsatisfactory. Figures based on the new reduced war establishment showed that Carabinieri were in possession of 65% of their establishment.

7. Carabinieri morale probably higher than at any period since the Armistice, but reports from all areas indicated a strong and growing apprehension in all quarters and strong ill feeling as to the future of the Corps.

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8. The Medical stores at FLORENCE continued to receive stores from Central MEDITERRANEAN, MIDDLE EAST and EAST AFRICA Commands and from MERANO.

PRISONERS OF WAR.

9. A total of 31,036 POW were repatriated during the month. (30,245 from British hands and the remainder from other sources). Two ships were allotted to repatriate 1,100 sick PW and PW from AUSTRALIA whose early return was requested on compassionate grounds. These ships are scheduled to leave NAPLES 3 August. Further efforts were being made to obtain ships in order that mass repatriation might begin.

5198

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

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

AIR FORCES SUB-COMMISSION

10. The number of Italian Air Force personnel employed with R&P and USSAF Units decreased during the month, the total remaining being 3,313 (1385 with the USSAF and 1928 with the R&P). The total strength of the Italian Air Force as at 1st July was 27,598 (3,255 officers, 24,324 other ranks). The present system for the reduction in strength of the I.A.F. causes considerable comment. The general feeling was that the Committee carrying out the reductions was incompetent and that the wrong type of person was being retained for service. There were also numerous press attacks on recent promotions and retirements of certain senior officers. The majority of these attacks were malicious and without foundation. However a number of Colonels were promoted to Generals to afford them better pensions on retirement.

11. During the month approximately 500 Prisoners of War of the I.A.F. were repatriated. 400 of these were discharged from the Service, the remaining 100 being sent to Reception Depots. The total numbers of war Casualties in the I.A.F. between the 10 June 1940 and 8 May 1945 were reported to be 3,010 killed in action and 3,330 missing.

12. Many difficulties were experienced through lack of resource and credit. Firms were reluctant to supply shoes, clothing, materials etc. until cash accompanied the order. New economy measures were being introduced and recommendations made for sale of certain items to obtain funds for the purchase of other items.

13. A conference was held at the Airfield on SARDINIA which was attended by representatives of the Allied Forces as well as Italian Air Ministry officials for the purpose of ascertaining the extent that A.F. personnel could be replaced by Italian on the station and to consider whether it would be practical to withdraw all A.F. personnel and hand the entire running of the station over to the I.A.F. It was eventually recommended that an A.F. nucleus be retained, to reduce British personnel gradually and replace such personnel by I.A.F. personnel. The situation is to be reviewed in 3 months.

14. A total of 42 airfields were decrequisitioned by the USSAF during the month and returned to the Italian Air Ministry with authority to convert them to agriculture.

15. Approval was granted in principle for SWISS Airlines to operate on the Routes PARIS - MILAN - ROME, PARIS - ROME - TURIN and PARIS - VENICE - BALKANS. It is not expected that these services will operate for several months. The operation of a SWISS Civil Airline was approved in principle and proposed routes were submitted. This line was expected to commence operations during August. A request was also received from a SWEDISH Airline Company for an increase in schedule from twice monthly to once weekly. On 23rd July a B.O.A.C. passenger aircraft landed at MILAN to conclude ultimate arrangements for the forthcoming service between ENGLAND and ITALY due to commence on 1 August.

16. Four new reporting stations were opened during the month bringing the total of Italian Meteorological stations to 139. The Italian delegation to

certain senior officers. The majority of these attacks were malicious and without foundation. However a number of Colonels were promoted to Generals to afford them better pensions on retirement.

11. During the month approximately 500 Prisoners of War of the RAF were repatriated. 400 of these were discharged from the Service, the remaining 100 being sent to Reception Depots. The total numbers of war Casualties in the I.A.F. between the 10 June 1940 and 8 May 1945 were reported to be 3,010 killed in action and 3,330 missing.

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16. Four new reporting stations were opened during the month bringing the total of Italian Meteorological stations to 139. The Italian delegation to the International Meteorological Organization Conference in PARIS returned. The main themes developed were the collection and distribution of meteorological information and the standardisation of codes.

COMMUNICATIONS SUB-COMMISSION

17. Five frequency radio allocations were made for use of commercial companies and one frequency allocation was made for the ROME Area police net. The commercial circuits included ROME-MILAN, ROME-NEW YORK, ROME - ISTANBUL. The latter circuit will operate on a time sharing arrangement with the ROME - ANKARA and BEIRUT circuit.

18. Permission was granted to ITALCABLE to extend to Saturdays and Sundays a commercial radiotelephone service to CANADA, CUBA and MEXICO with existing facilities. This was possible mainly because of a decrease in military traffic.

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

A radiotelegraph circuit between ITALCABLE in ROME, and MACKAY RADIO & TELEGRAPH Co. in NEW YORK was opened on frequencies previously allocated. A telegraph circuit was opened between TRIESTE and PRAGUE.

19. Systematic improvements to the telecommunications system were accomplished and further improvements authorized during the month. Fixed plant facilities were also improved. Plans were completed for a trial handover of military lines and circuits between ROME and NAPLES.

20. A 5000 line commercial automatic telephone exchange was approved and materials assembled for installation in UDINE.

21. ITALCABLE was authorized to recover unused portions of the ROME-MESSINA submarine cable for use in repairing other submarine cable.

22. The major portion of the NAPLES FERROVIA sorting office was handed back to the Civil Postal authorities by the British Army Post Office which will facilitate the Ministry's proposal to reintroduce internal Parcel Post Service in August. Censorship of correspondence in ZONE "A" addressed to Zone "B" was introduced during the month in an effort to overcome the smuggling of currency. Civil mail from BERLIN to HUNGARY was suspended temporarily owing to difficulties with Control Commission.

Ellery W. Stone

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

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

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

APPENDIX "A"

The names of the ministers in the new De Gasperi Government were announced on 13 July. The list is as follows, the last column showing the corresponding ministers when De Gasperi formed his last government in December 1945 :

MINISTRY	NAME	PLACE OF BIRTH	DATE OF BIRTH	
President	A. DE GASPERI (CD)	Trento	1881	A.DE GASPERI (CD)
Without Portfolio	P. NENNI (Soc)	Faenza	1891	P. Nenni (Soc)
Agriculture	A. Segni (CD)	Sassari	1896	F. Gullo (Com)
Air	M.Cingolani (CD)	Rome	1883	M.Cevolotto(Lab. Dem.)
Education	G. Gonella (CD)	Verona	1905	E.Molè (Lab Dem)
Foreign Affairs	A. De Gasperi (CD) (Interim)	Trent	1881	A. DE GASPERI(CD
Finance	M. Soleciaro (Com)	Udine	1895	M.Soleciaro(Com
Foreign Trade	P. Campilli (CD)	Frascati	1891	
Industry &Comm.	R. Morandi (Soc)	Milan	1902	G. Gronchi (CD)
Interior	A. De Gasperi (CD)	Trento	1881	R. Romita (Soc.)
Justice	F. Gullo (Com)	Cosenza	1889	P. Togliatti(Com
Labour	L. d'Aragona (Soc)	Cernusco (Milan)	1876	G. Barbareschi (Soc
Merchant Navy	S. Aldisio (CD)	Gela	1890	
Navy	G. Micheli (CD)	Parma	1896	R. De Courten (Ind)
Posts & Telegraphs	M. Scelba (CD)	Caltagirone	1901	M. Scelba (CD)
Postwar Relief	E. Sereni (Com)	Rome	1907	L.Gasperotto (Lib.Dem.)
Public Works	G. Romita (Soc)	Turin	1887	L. Cattani(Lib)
Transport	G. Ferrari (Com)	Parma	1887	R. Lombardi (Action)
Treasury	E. Corbino (Ind)	Augusta	1890	E. Corbino (Lib)
War	C. Facchinetti (Rep)	Milan		M. Bracio (Lib)
Without Portfolio	C. Macrelli (Rep)	Romagnolo	1903	E. Lussu (Action

	[illegible] (CD)	Trento	1881	A. De Gasperi (CD)
Without Portfolio	P. Nenni (Soc)	Faenza	1891	P. Nenni (Soc)
Agriculture	A. Segni (CD)	Sassari	1896	F. Gullo (Com)
Air	M. Cingolani (CD)	Rieti	1883	M. Cevolotto (Lab. Dem.)
Education	G. Gonella (CD)	Verona	1905	E. Molè (Lab Dem)
Foreign Affairs	A. De Gasperi (CD) (Interim)	Trento	1881	A. DE GASPERI (CD)
Finance	M. Soleccimarro (Com)	Udine	1895	M. Soleccimarro (Com)
Foreign Trade	P. Campilli (CD)	Frosinone	1891	
Industry & Comm.	R. Morandi (Soc)	Milan	1902	G. Grunchi (CD)
Interior	A. De Gasperi (CD)	Trento	1881	R. Ravita (Soc.)
Justice	F. Gullo (Com)	Cremona	1889	P. Togliatti (Com)
Labour	L. d'Aragona (Soc)	Cernusco (Milan)	1876	G. Barbareschi (Soc)
Merchant Navy	S. Aldisio (CD)	Cole	1890	
Navy	G. Micheli (CD)	Parma	1896	R. De Courten (Ind)
Posts & Telegraphs	M. Scelba (CD)	Caltagirone	1901	M. Scelba (CD)
Postwar Relief	E. Gerardi (Com)	Rieti	1907	L. Gasperotto (Lab. Dem.)
Public Works	G. Romita (Soc)	Tortona	1887	L. Cattani (Lib)
Transport	G. Ferraris (Com)	Pavia	1887	R. Lombardi (Action)
Treasury	E. Corbino (Ind)	Augusta	1890	E. Corbino (Lib)
War	C. Facchinetti (Rep)	Milan		M. Ercole (Lib)
Without Portfolio	C. Macrelli (Rep)	Ravagnolo	1903	E. Lussu (Action)

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

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

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HEADQUARTERS ALLIED COMMISSION
APO 794
19 AGO 1946

MONTHLY REPORT

JUNE - 1946

Ref.: 824/50

14 August 1946.

ALLIED COMMISSION HEADQUARTERS

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HEADQUARTERS ALLIED COMMISSION
APO 794

19 AGO 1946

MONTHLY REPORT

JUNE - 1946

Ref.: 834/50

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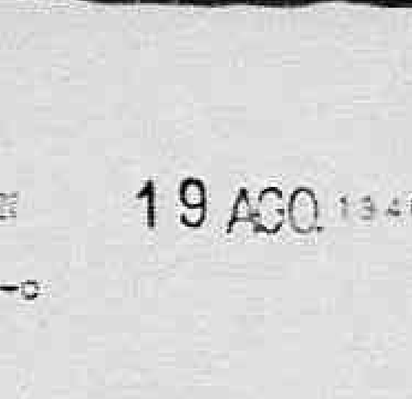

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Declassified E.O. 12356 Section 3.3/NND No. 785016

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

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HEADQUARTERS, ALLIED COMMISSION
APO 794

MONTHLY REPORT

JUNE 1945

INDEX

		Page No.
	POLITICAL SURVEY	1 - 3
PART I	AMG AND LIAISON GROUP REPORTS	4 - 16
	Liguria Region	4
	Lombardie Region	4 - 5
	Piemonte Region	6 - 7
	Venezia Region	7 - 8
	Naples, Campania and Calabria	8 - 9
	Bari and Puglie and Marche	9
	Emilia Region	9 - 10
	Bolzano	10 - 11
	Abruzzi and Lazio	11 - 12
	Rome City and Province	12
	AMG Udine Province	13
	AMG Venezia Giulia	13 - 16
PART II	CIVIL AFFAIRS SECTION	17 - 18
	Local Government Sub-Commission	17
	Legal Sub-Commission	17
	Public Health Sub-Commission	17
	Public Safety Sub-Commission	17 - 18
	Displaced Persons Sub-Commission	18
PART III	ECONOMIC SECTION	19 - 21
	Food and Agriculture Branch	19
	Commerce (Foreign Trade) Branch	19
	Industry and Utilities Branch	20
	Transportation and Shipping Branch	20 - 21
	Captured Enemy Materials Branch	21
PART IV	DEPARTMENT SUB-COMMISSIONS	22 - 23
	Navy Sub-Commission	22
	Land Forces Sub-Commission (AFHQ)	22

MONTHLY REPORT

JUNE 1946

INDEX

		Page No.
	POLITICAL SUMMARY	1 - 3
PART I	AMG AND LIAISON GROUP REPORTS	4 - 16
	Liguria Region	4
	Lombardia Region	4 - 5
	Piemonte Region	6 - 7
	Venezia Region	7 - 8
	Naples, Campania and Calabria	8 - 9
	Bari and Puglie and Marche	9
	Emilia Region	9 - 10
	Bolzano	10 - 11
	Abruzzi and Lazio	11 - 12
	Rome City and Province	12
	AMG Udine Province	13
	AMG Venezia Giulia	13 - 16
PART II	CIVIL AFFAIRS SECTION	17 - 18
	Local Government Sub-Commission	17
	Legal Sub-Commission	17
	Public Health Sub-Commission	17
	Public Safety Sub-Commission	17 - 18
	Displaced Persons Sub-Commission	18
PART III	ECONOMIC SECTION	19 - 21
	Food and Agriculture Branch	19
	Commerce (Foreign Trade) Branch	19
	Industry and Utilities Branch	20
	Transportation and Shipping Branch	20 - 21
	Captured Enemy Materials Branch	21
PART IV	DISARMAMENT SUB-COMMISSIONS	22 - 25
	Navy Sub-Commission	22
	Land Forces Sub-Commission (CMLA)	22
	Prisoners of War Division	22
	Communications Sub-Commission	22 - 25
	Air Forces Sub-Commission	25 - 26

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

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

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

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

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

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

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

and [illegible] agreements between the UNITED STATES and FRANCE and the UNITED KINGDOM and ITALY respectively [illegible] the withdrawal of Allied troops in ITALY.

12. With the elections in Parliament drawing near - and in particular the disorientations and decisions of the Council of Four in PARIS about the future occupation of the Government, the postage too much criticism of the Press, and the deep concern of all Italians, Italian. The Prime Minister stated that the It is a normality which ought to be [illegible] to ensure that "full freedom" and public feeling ran high over the proposed terms of the Peace Treaty. On June 29 Parliament received with [illegible] by a vote to the majority in the Chamber of the FALK Government to uphold PARRI's claims on the FRENCH [illegible], [illegible], TENDA and [illegible]. The Prime Minister called the vote [illegible] of unexpected, an injustice against ITALY and a very grave error against Italian friendship; he spoke of efforts made to [illegible] FRANCE not to accept the ITALIAN but repudiated BONNIDINI's aggressive policy - "ITALY renounced her privileges in ABYSSINIA - undertook to pay in ten years more than 4 billion dollars - signed a commercial agreement extremely favourable to French manufacturers - and declared that she was ready to give to FRANCE the upper VALTELLINA and VENOSTA valleys, CHAMPOLUC and the STURA VALLEY and the LANZO ST. MICHEL PASS. For MONT ISEO she proposed an Italo-French corporation for the common use of water power resources". Newspaper articles were [illegible] and recorded by the Chief.

13. The Amnesty Decree was approved by the Council of Ministers on 21 June and consisted of 16 articles, granting amnesty for [illegible] committed between the date of the Italian Liberation, 25 July 1943, and 18 June 1946, for all common offences punishable with imprisonment not exceeding 5 years and a reduction of 3 years for longer sentences. It also applied to all [illegible] committed after 8 September 1943 even if punishable with longer sentences. As for fascist crimes, death sentences will be commuted to life imprisonment, and longer sentences will be reduced [illegible] one third. The Amnesty will not apply to [illegible] crimes committed [illegible], destruction of public archives, of those against the Allied Forces etc. It [illegible] to a court [illegible] to collaboration with the enemy only if the offences did not have an "adverse [illegible] of civil or military interest", or did not [illegible] persons, properties, cultural etc. The question of the application of the Amnesty to crimes against Allied Forces is under consideration.

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

PART I - LIAISON GROUP REPORTS.

LIGURIA REGION.

1. The elections took place in an atmosphere of complete calm and no incidents occurred in the whole of the Region. The results were awaited with great interest but were received with little comment and no demonstrations. Following the elections the general feeling amongst the population was the desire to cooperate and work towards reconstruction. Great disappointment was felt at the decisions of the Foreign Ministers in PARIS. Little local partisanship was apparent in the Italian zone along the ITALO-FRENCH border; it appeared to be generally accepted that FRANCE would receive concession of the TENDA-BRIGA area.

2. Police agencies in the Region functioned reasonably well under the difficult conditions prevalent during the month and all arms of the police acquitted themselves excellently during the elections. Public order was satisfactory, any serious crimes being largely redeemed by prompt arrests of the persons responsible. Crime statistics showed a general decrease over the previous month. The prison situation was satisfactory.

3. There was an increase in unemployment figures, the largest section was that of the industrial workers where unemployed increased 1,250 during the month. The total registered unemployed in LIGURIA was 39,914, total increase during the month being 3,359.

4. The food situation remained unchanged. Fruit continued to be plentiful as did fresh fish. The cost of living increased slightly. The Region had sufficient flour to maintain the bread ration until 12 July and a shipment of flour was expected on 7 July. Weather conditions were wet and stormy during the month, causing damage to potato and fruit crops and hay cutting was retarded. However, the general agricultural situation was good and harvesting had begun in the coastal areas.

5. Goods unloaded in the Port of GENOA during the month totalled 311,624 tons. Work on rail junctions, lines and tunnels proceeded satisfactorily

6. A group of illegal Jewish immigrants attempted to sail from VADO LIGURE during the month and although their attempt was successful, experiences gained by the Italian Police Agencies in a former similar instance were used to the full.

(For a complete summary of this occurrence see Page - "Displaced Persons".)

LOMBARDIA REGION.

7. The elections on 2 June were carried out in an orderly and somewhat restrained manner; no serious incidents occurred apart from a hand grenade thrown into the offices of "LA UNITA", a prominent independent newspaper; no one was injured. Although the Republic obtained a strong majority in the Region there was no reaction by the Monarchists and they appeared to take their defeat in an attitude of tranquillity. There was no indication that the initial stages of the new Government would be disturbed by political disorders or attempts to restore the Monarchy. Both Republicans and Monarchists were

2. Police agencies in the Legion functioned reasonably well under the difficult conditions prevalent during the month and all arms of the police acquitted themselves excellently during the elections. Public order was satisfactory, any serious crimes being largely reduced by prompt arrests of the persons responsible. Crime statistics showed a general decrease over the previous month. The prison situation was satisfactory.

3. There was an increase in unemployment figures, the largest section was that of the industrial workers where unemployed increased 1,700 during the month. The total registered unemployed in LIBERIA was 38,914, total increase during the month being 3,259.

4. The food situation remained unchanged. Fruit continued to be plentiful as did fresh fish. The cost of living increased slightly. The Legion had sufficient flour to maintain the bread ration until 12 July and a shipment of flour was expected on 7 July. Weather conditions were wet and stormy during the month, causing damage to potato and fruit crops and hay cutting was retarded. However, the general agricultural situation was good and harvesting had begun in the coastal areas.

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8. The general opinion as regards the Carabinieri was that this, the most efficient of the police forces, should be accepted by the new Government. Lack of adequate transport continued to hamper their complete efficiency and they continued to be in need of more official and public support than they were receiving. The Carabinieri appeared to be prepared to do their best for the Republic.

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

9. On 28 June a demonstration took place in the early morning in MILAN at the Camera del Lavoro with the intention of promoting a one hour strike of all workers as a sympathetic gesture towards unemployed war veterans; an additional grievance of the workers was that they were not receiving the usual daily subsidy. Their proposals were not considered so the demonstrators marched to the centre of the city where they were charged by Auxiliary Agents with truncheons. This incident caused much public comment that the Prefect intimated that by 10 July all private concerns must engage unemployed war veterans in the proportion of 8% of their total personnel. The problem of the daily subsidy was remedied by the supply of extra funds. Relations between Allied military and civilians continued to be good. The CC.RR carried out numerous arms raids and recovered considerable quantities of arms and ammunition. Approximately 50 arrests were made in this connection.

10. Temperamental weather throughout the month seriously hampered wheat threshing operations. However, the estimated yield of 550,000 tons for LOMBARDIA was expected to materialise. Amassing had begun in most Provinces and official figures gave an approximate total of 40,000 tons in the Granai del Popolo on 28 June. This is considered very satisfactory and no difficulty is expected in reaching the target estimate of 212,980 tons by the end of July. Approximately 10,000 tons of seeds and ammonium nitrate were distributed during the month and a further 3,000 tons is expected. POL and coal for threshing operations were arriving satisfactorily.

11. Three exhibitions were opened during the month - toy, furniture and reconstruction - the two former being open to the trade only. The latter which is to tour all the principal cities in ITALY was visited by 150,000 people; it created considerable interest and many orders were taken by the exhibitors. A delegation of Russian engineers arrived in MILAN during the month to visit the major industrial plants in LOMBARDIA to ascertain the potentiality of Italian industry and to see what possibilities there are of completing orders for the Soviet Union. The total number of unemployed as at the end of the month was 240,000; 215,000 were classified as industrial workers.

12. 50 Public Works projects were approved during the month, mainly road works. There was an adequate supply of cement for rebuilding, but only 5% of the required amount of bitumen for road works was available.

13. The situation at NOVARA was relieved slightly by the evacuation of 800 people to BELGIUM through the medium of the Belgian Government. Several hundred displaced persons were still awaiting repatriation to FRANCE; some of these refugees (who are Italians resident in FRANCE) have been living in camps for nearly a year and no definite decision has yet been given by the French Government.

14. The health of the population remained good and there were no serious outbreaks of epidemics though a slight increase in infantile paralysis was noted in MILAN Province.

15. Law Courts functioned slowly due to inadequate staff and the increased amount of work entailed by the trials of ex-fascists, and by the amnesty. MILAN's biggest political trial, that of KOCH and 50 others, opened on 29 June. The decision to allow the accused to go about free until called upon to give evidence created an uproar in the Court among members of the public who made endeavours to mob the prisoners. The overcrowding of prisons was alleviated somewhat by the amnesty.

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

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16. Many of the schools commenced their summer vacations but in a few others teachers were on strike in an effort to increase their wages. There were no apparent staff shortages and the supply of books was adequate, although text books remained expensive.

5195

17. General Mark CLARK visited MILAN on 27 June to decorate ex-partisan leaders with the "Bronze Star". Ex-partisan leaders sent a telegram to President TRUMAN recalling their long struggle at the side of the Allies and in the name of their 60,000 dead and wounded asked for the President's intervention in order to obtain for ITALY a just and generous peace.

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

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

18. The elections, after much intense and noisy propaganda by the various parties, were held in an atmosphere of calm solemnity. No incidents of any kind marred the disciplined behaviour of the people throughout the entire region. Following the proclamation of the victory of the Republic, ceremonies were held in TURIN and other Provincial cities to inaugurate the advent of the Republic. These were well attended by the citizens generally and no untoward incidents occurred. The decisions of the Council of Foreign Ministers in PARIS regarding the fate of GRIGNO, TERNO and MONTENISIO, came as a great blow to the bulk of the population of PIEDMONT and more particularly to the pro-Italian inhabitants of these Communes. The impression left in the minds of the inhabitants of GRIGNO and TERNO following the recent visit of the Allied Commission of Enquiry, was that the Commission generally was in favour of the Italian claims to these territories. The decision of the Ministers came, therefore, as a shock. The immediate reaction was expressed in pained surprise that FRANCE should have made the request, followed by expressions of anti-French sentiments. Anti-Anglo/US sentiments were also expressed. However, the inhabitants behaved with calm and no untoward incidents occurred. At MONTENISIO feelings were much less tense although a similar atmosphere maintained. There was much more general concern expressed over the ultimate fate of TRIESTE. There was a considerable improvement in the situation in the AOSTA VALLEY where since the elections calm has prevailed. The Regional press reported reasonably objectively on the conduct of affairs in PARIS but there was a lively feeling of betrayal by the Allies of promises made during the war, of short memory, lack of appreciation of the efforts made by ITALY to redeem her Fascist past, and a general feeling that ITALY could not have been treated much worse if she had refrained from co-belligerency. There were no signs of neo-Fascist activities.

19. Public order during the month was excellent. No political crimes were reported and there were no demonstrations or disorders involving violence. There was a slight increase of highway robbery and homicides. Crime generally, however, was on the decrease and numerous good arrests were made. The Carabinieri carried out their duties efficiently and are fast regaining the esteem and confidence with which they were once held in ITALY. No change occurred in the status of the Railway Police but some very good work was done by this despised body in bringing numerous black market cases to light by their efforts.

20. The cost of living remained about the same with a tendency to increase. The price of fresh fruit, much of which was damaged by excessive rain, remained very high. Flour rose in price and there were many complaints as to the poor quality of the bread issued. Prices of butter, oil, milk and wine showed a tendency to decrease. Harvesting of hay was retarded and in some cases ruined by the torrential rain which prevailed in the Region. The harvest of rice was very promising although cultivation was put back by industrial disputes in the rice fields which have subsequently been settled. Chemicals, particularly phosphates, were in very short supply but insecticides were becoming more plentiful. Hail storms caused some damage to crops particularly the CUNEO-SALUZZO area. Unemployment remained widespread throughout the Region although in the BIELLA (wool and cloth) district, factories were working full time and were employing extra hands. Coal continued to be the great need in the factories. FIAT stated that they had all the steel, etc., which they require to allow them to go into full production

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

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21. Bad weather and insufficient supplies of cement retarded public works but roads showed a definite improvement. Work on the road tunnel to TENDA proceeded slowly due to the political situation although road work and bridge building in the TENDA zone itself proceeded apace. The electric power situation was good due to the abundant heavy rain. Some anxiety was

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

felt regarding the power stations at BRIGA, TRIDA and MONCALISIO, and their probable control by the Zveno.

22. The Displaced Persons situation at NOVARA was eased somewhat by the repatriation to BELGIUM of a number of Belgian refugees. A barracks at NIVOLI was requisitioned on behalf of UNRRA with accommodation for 11,000 persons.

23. Public Health in the Region was good, no serious epidemics being reported during the month. A large number of tuberculor cases continued to be reported.

24. The amnesty decree had a good effect in reducing the overcrowded prison population by about 20%. More attention was given to prisoners being held without trial and the numbers of these were also being decreased. The amnesty decree was received with mixed feelings by the population and some disquiet was expressed at the release of certain types of prisoners.

VENEZIA REGION.

25. The elections were carried out in good order throughout the Region and although rumours were circulated relative to irregularities, no outstanding incidents were observed. The interest of the population was centred mainly on the international situation and the PARIS Conference. An anti-Allied feeling arose throughout the Region, fostered chiefly by the Rightist press, students and ex-partisans and "reduci". All violently denounced the Allies for having accepted ITALY as a co-belligerent and then having allegedly placed her on the bargaining counter. Much of this local feeling was formed by some thousands of unemployed refugees from VENEZIA GIULIA who have permeated into the Region. Another factor contributing to this situation arose from the large amount of Allied military requisitioning required throughout the area. These requisitions have been kept to a minimum consistent with military requirements but the situation is more complicated in the PADOVA, TREVISO and VERONA areas due to temporary troop movements into VENEZIA GIULIA. The general attitude of the public is likely to continue unless economic conditions improve and unemployment decreases.

26. The general crime situation remained reasonably good and all civilian police agencies functioned fairly well. However, local Allied military authorities in the area were concerned over the weakness of the civilian administrative and police officials and agencies in maintaining public order. There developed a definite increase in the number of strikes particularly in the VENICE area but police made little effort to intervene when incidents arose during such strikes. In the PADOVA area there were several anti-Allied incidents yet it is not clear are the police able to effectively control the crowd.

27. The general food situation continued to be reasonably good although the cost of living did not change. The shops continued to be filled with foodstuffs and little effort was made to control the number of courses served in restaurants. The basic bread ration remained at 200 grams and 300 grams of rice or pasta. The general grain situation throughout the Region indicated about a third increase in both production and acreage over last year, the estimated wheat production in 1946 totalling 635,000 tons. Total unemploy-

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

[illegible] amnesty decree had a good effect in reducing the overcrowded prison population by about 2/3. More attention was given to prisoners being held without trial and the number of these were also being decreased. The amnesty decree was received with mixed feelings by the population and some disquiet was expressed at the release of certain types of prisoners.

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27. The general food situation continued to be reasonably good although the cost of living did not change. The shops continued to be filled with foodstuffs and little effort was made to control the number of courses served in restaurants. The basic bread ration remained at 200 grams and 300 grams of rice or pasta. The general grain situation throughout the Region indicated about a third increase in both production and processing over last year, the estimated wheat production in 1946 totalling 636,000 tons. Total unemployment figures decreased during the month to 177,693, a decrease of about 20,000 over the previous month. The industrial situation remained unchanged due principally to the lack of coal and raw materials. The woollen mills in VICENZA Province were expecting the arrival of 20,000 bales of wool in the future which will mean work for 18 months. The cotton, metal and hemp industries were practically stationary and production of jam and marmalade slowed up due to the sugar shortage. The Michelin Tyre Company in PADUA employed about 400 persons and was producing 6 tons of thread per day for tyre covers. The Cogatod factory at RIVA now makes furniture, window coatings, etc. Strikes in the VENICE area increased, the workers in each case demanding pay increases, particularly motor bus and ferry boat employees. Several demonstrations were held by "reduci" demanding employment. While none of these labour disturbances resulted in any unusual incidents they indicated a trend towards industrial unrest.

28. Public Works projects throughout the Region were in full operation and had considerable effect in reducing unemployment. Energetic efforts were being made by Prefects and Sindaci to push this work on as rapidly as possible.

5192

29. The month saw a tremendous increase in the number of Italians from VENEZIA GIULIA and especially POLA making their way into this Region. Communes had become so overburdened with these persons, most of whom were unable to maintain themselves or their families, that Sindaci were exerting every effort to get them placed in the Post Bellica refugee centres. Another problem was the movement by the Italian Government of families from NORTH AFRICA. These too were gradually finding their way into the refugee camps. In the ALDEVA Post Bellica refugee centre there was a total of 1715 refugees and in VERONA camp a total of 413. In VENICE area Post Bellica were caring for about 1300 persons.

30. The public health situation remained good.

NAPLES, CAMPANIA AND CALABRIA.

31. The elections for the Constituents and the Referendum for the constitutional form of the State took place in a correct and orderly manner. Polling was heavy though somewhat less than for the administrative (Communal) elections and women were again much in evidence in the voting. A few minor irregularities were reported but there was nothing of a serious nature. In all constituencies except CATANZARO the Christian Democrats proved to be the most popular single party. In CATANZARO both Communists and Socialists outnumbered Christian Democrats. NAPLES, the most important centre, returned 38 Deputies of whom 15 were Christian Democrats, 8 National Democratic Union, 4 Communist and 6 Uomo Qualunque. All electoral colleges South of AQUILA, PESCARA, CHIETI and TERAMO showed a majority of votes for the Monarchy in the Referendum - a total of nearly 2½ million votes out of the overall total of 3 million votes recorded in the 9 Provinces. When the results of the Referendum became known there was great disappointment. The Monarchists staged a large demonstration when the Queen and her children left NAPLES, which, however, went off without violence although one person was killed. Subsequent to this elements of trouble became more in evidence; there were even anti-clerical incidents. The departure of King UMBERTO from ITALY on the 13 June took the tension out of the situation and the Republic appeared to be accepted. The choice of Enrico de NICOLA, a NAPLES born lawyer with (according to local reports) an unimpeachable political record, as the first President of the Republic, made a very good impression.

32. Crime of crime apart from political disturbances were less than usual. Strong measures were taken by Questore and Carabinieri to preserve order throughout this difficult period. On the evening of 11 June a fight between demonstrators and police resulted in 7 dead and 50 wounded; 17 police agents also suffered injuries. Outside NAPLES, in REGGIO DI CALABRIA, there was a demonstration with a few casualties on 12 June. Apart from political disturbances the most serious feature of the month from the public safety point of view was the number of hold-ups of cars and trucks by armed persons dressed in Allied uniforms, often in broad daylight, NAPLES, POTENZA and CAPUA being the areas affected. CALABRIA heads the murder list with 11 murders reported from REGGIO CALABRIA alone. NAPLES had the high number of 16 suicides. The behaviour and discipline of Allied troops were excellent.

33. At the beginning of the month grain and flour stocks were so low that they were reported to be sufficient only to maintain the basic bread ration of 9 oz. over the first week of the month in CALABRIA, the position in BASILICATA being even worse. The bread ration, however, was not cut and local

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

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

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32. Cases of crime apart from political disturbances were less than usual. Strong measures were taken by Questore and Carabinieri to preserve order throughout this difficult period. On the evening of 11 June a fight between demonstrators and police resulted in 7 dead and 50 wounded; 17 police agents also suffered injuries. Outside NAPLES, in TORRE DEL GRECO, there was a demonstration with a few casualties on 12 June. Apart from political disturbances the most serious feature of the month from the public safety point of view was the number of hold-ups of cars and trucks by armed persons dressed in Allied uniforms, often in broad daylight, NAPLES, SALERNO and CASTA being the areas affected. CASERTA headed the murder list with 11 murders reported from TORRE GRECO alone. NAPLES had the high number of 16 suicides. The behaviour and discipline of Allied troops were excellent.

33. At the beginning of the month grain and flour stocks were so low that they were reported to be sufficient only to maintain the basic bread ration of 9 oz. over the first week of the month in CAMPANIA, the position in CALABRIA being even worse. The bread ration, however, was not cut and local stocks of grain were sufficient to allow a short fall to take place in the price of free, or so-called black market bread in the first period of June. Threshing was well under way and reports indicated a very good harvest. On 19 June with the elections over, the NAPLES administrative authorities issued a press notice to the effect that a more strict control would be exercised on the free market sale of bread, pasta, etc. This resulted in free market prices soaring up once again.

34. At the beginning of June the Allies were still giving employment in the NAPLES area to over 33,000 Italian civilians. The British NAPLES Area alone employed 30,000.

35. A strike occurred on 22 June at a flour mill; other mills struck in sympathy and the Rome bread supply was in jeopardy. The men alleged malpractice against the management and adulteration of the flour. They demanded 40 kilos of white flour a week per head (about 90 lbs of white flour a head) as their price to continue work. An investigation was ordered by the Prefect and work was resumed in all but the originating mill. Mill labourers receive each, 8 to 30 lbs of flour per head per week, apart from the normal basic rations, as part of their emoluments. Each profession in its own centre excuses this practice on the score that individually, in its own centre, the additional drain on the ration is "small".

36. Very slow progress was made under the Public Works schemes by Genio Civile. A proposal to build workers flats at [illegible] in which PSS (American) cooperated actively and helped by drawing up plans, the area quickly in order that the first houses could be built by the winter, remained in abeyance. After two months delay no work on this project was started.

37. Public health remained good. Typhus increased slightly as was expected, (35 cases in June as compared with 19 in May and 8 in April).

PUBLIC AND POLITICAL OPINION.

38. The elections and Referendum took place as scheduled in good order and the subsequent political situation remained calm. There were a few Monarchist demonstrations after the elections but these were free of outstanding incidents with one exception when some 35 persons were injured in a demonstration staged by the Communist Party. As a result of the decisions reached at the Paris Conference public morale was low and public opinion definitely anti-Allied. The general feeling was that the promises made by the Allies during the war to the effect that Italy might expect better treatment by throwing her lot in with the Allies were not adhered to and that Italy's co-belligerency and aid given to the Allies against Germany were not being recognised; in fact nothing had been gained by assuming the status of co-belligerent.

39. Public order considering political events was extremely good. The Carabinieri and Civil Police functioned efficiently and recruiting for these services was moving with success.

40. A very small quantity of wheat has been harvested although a good crop was harvested. Fruit an vegetables were plentiful and a satisfactory grape harvest was expected. Prices of food remained unchanged. No ration was issued during the month and pressure was being exerted by all concerned to have the bread ration increased from 200 to 250 grams. The continual use of "relief" and veterans caused apathy. Demonstrations took place, but all were orderly and without incident. There were approximately 40,000 of the above category in Rome province but a considerable number will probably be absorbed by agricultural activities during the harvest.

41. Polish Displaced Persons Camps at Fiuggi and Ancona were efficiently organised and well run, particularly as regards education and hospital facilities.

POLITICAL ACTION.

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

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

[illegible] cooperated actively and helped by demobilizing the crew quickly in order that the first houses could be built by the winter, remained in abeyance. After two months delay no work on this project was started.

37. Public health remained good. Typhus increased slightly as was expected, (5 cases in June as compared with 19 in May and 8 in April).

RAPID AND PEACEFUL PROGRESS.

38. The elections and Referendum took place as scheduled in good order and the subsequent political situation remained calm. There were a few Monarchist demonstrations after the elections but these were free of outstanding incidents with one exception when some 30 persons were injured in a demonstration staged by the Communist Party. As a result of the decisions reached at the PARIS Conference public morale was low and public opinion definitely anti-Allied. The general feeling was that the promises made by the Allies during the war to the effect that ITALY might expect better treatment by throwing her lot in with the Allies were not adhered to and that ITALY's co-belligerency and all given to the Allies against GERMANY were not being recognized, in fact nothing had been gained by assuming the status of co-belligerent.

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40. A very small quantity of wheat has been grossed although a good crop was harvested. Fruit an vegetables were plentiful and a satisfactory grape harvest was expected. Prices of food remained unchanged. No ration was issued during the month and pressure was being exerted by all concerned to have the bread ration increased from 200 to 250 grams. The continued unemployment of "reduci" and veterans caused anxiety. Demonstrations took place, but all were orderly and without incident. There were approximately 40,000 of the above category in FOGGIA Province but a considerable number will probably be absorbed by agricultural activities during the harvest.

41. Polish Displaced Persons Camps at TERNI and MURIALDO were efficiently organized and well run, particularly as regards education and hospital facilities.

BARI REGION.

42. The elections and referendum passed off in an atmosphere of calm there was much less excitement evinced than at the local elections in April. Great interest was shown by the population as was evidenced by the heavy polling. The Communists and Socialists were victorious in this region and the people appeared to be satisfied with the result although some disappointment was felt at the overall results of the Communist Party. Public holidays to celebrate the birth of the Republic passed without incident and symptoms that the people were tired of political excitements were discernable. The meetings of the foreign Ministers in PARIS were followed with the keenest interest and a good deal of disappointment was expressed at the decisions reached. The unpopularity of the Allies increased and it was said that they had not kept the promises made during the war nor recognised ITALY's co-belligerency. Monarchists complained that the Allies had not helped their cause and have permitted Communists to come to ITALY while the Communists complained that the Allies were against them. Provincial administration was reasonably satisfactory. All Communal budgets showed a deficit although such taxes as were being levied were being paid.

5191

43. Public Safety conditions remained unchanged. There was a slight increase in armed robberies, a decrease in murders and an increase in kidnappings. Public order during the month was exceptionally good having regard to the excitement of the elections. The reputation of the Carabinieri was enhanced by their conduct before and during the elections, and the morale and efficiency of this force improved accordingly.

44. The general food situation was reasonably good and there was sufficient grain to last until the harvest which was expected to be very good. The ensuing of the 6% of the producers allowance of the 1945/6 harvest, produced about one-third of the expected amount. There was some agitation for an increase in the bread ration and disputes continued between the land-owners and the farmers which affected the ensuing. Other foods were plentiful; fresh fruits and vegetables were in abundance and quantities of fish at prices that fluctuated according to the catch. Meat was expensive. The shops continued to be well stocked with goods, particularly textiles including silk. The position of industry remained unchanged, the shortage of coal and raw materials being the main obstacles to reconstruction.

45. There was some decrease in the numbers of unemployed due to seasonable employment in agriculture but the problem remained grave. Demonstrations took place in PALERMO and NAPLES. A general strike was called in the Province of SIRACUSA on 18 June and lasted until 21 June. The demand was an increase in wages. Public utilities employees remained at work and there were no disorders. Agricultural work proceeded satisfactorily and there was every prospect of a good grape and sugar beet crop.

46. Public works programmes proceeded and further programmes on a larger scale were planned for the second half of the year in order to relieve unemployment. The supply of water was adequate although there was a shortage in PALERMO. The supply of electricity was satisfactory. The lack of coal remained the difficulty as far as gas was concerned.

47. All Displaced Persons Camps were under Allied Commission control and the work proceeded satisfactorily. At AGLONA one camp was being used for students and dissident Yugoslavs, the other had been prepared for a possible influx of refugees from VENEZIA GIULIA. At MONTE MILIA one camp held displaced persons of all European nationalities, except RUSSIAN and YUGOSLAV: the other was housing ARAB Jews. There were no outstanding incidents in the camps during the month; health was good and no epidemics were reported. The most prevalent diseases were tuberculosis and V.D.

48. Public health was good during the month and no serious epidemics were reported. Measles were prevalent throughout the Region, the incidence being highest in FOGGIA Province. A children's holiday camp was opened at RICCIONE with a capacity of about 100. The arrangements made will enable children to take a 10 to 15 day holiday at the sea.

49. Railways gradually improved and there was ample road transport with a resulting lowering of haulage costs. Postal telegraph and telephone facilities continued to improve.

50. Italian courts continued to function slowly.

51. Most schools closed for the summer and it is hoped to have repairs

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

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50. Italian courts continued to function slowly.

51. Most schools closed for the summer and it is hoped to have repairs completed before the reopening thus allowing a more efficient functioning.

ZONE PROVINCE.

52. During the month news was received from PARIS almost completely overshadowed the Government crisis in ROME. However, the decision to leave the SOUTH TYROL with ITALY was expected and received with dignity by both sides. The German speaking people appeared to realise that their future lies within the framework of ITALY and to this end the powerful Südtiroler Volkspartei agreed to cooperate unreservedly with the Italian Government to frame rules for Autonomy. This agreement was confirmed in writing by the President and Secretary General of the S.V.P. The S.V.P. also confirmed in writing their change of programme from that of annexation to AUSTRIA to that of cooperation with ITALY. The German speaking people would have

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

preferred Provincial Autonomy to Regional Autonomy, the former embracing territory down to the SALORNO line (the ethnical division) with the addition of the UNTERLAND and the three communes in BELLUNO Province. The Option Committee submitted its recommendations to the Italian Government for the definition of the various categories of citizenship. It was recommended that (a) those who opted for GERMANY but did not receive actual forms of citizenship will automatically become ITALIAN citizens unless they confirm their option within two months of the publication of the decree; (b) those who opted for GERMANY and received forms of citizenship but did not remove themselves to GERMANY and renounce their option in writing within two months of the publication of the decree or their option will be enforced and they will automatically become aliens; (c) those already in GERMANY must apply in writing to the Ministry of Interior within two years of the signing of the Peace Treaty with ITALY. Each individual application will be examined by a Committee formed of one Judge, six German-speaking and six Italian-speaking members in BOLZANO. Much work has been done to further the interests of the German people during the last six months; autonomy has been granted, citizenship regularised, dual language authorised, courses of instruction run for German-speaking Communal secretaries, schools organised for instruction in both languages. All Italianised names changed into their original form, re-employment of discharged Forestry personnel and arrangements made for the reception of South Tyrolean POW's.

53. Carabinieri acquitted themselves well during the month and increased confidence in this body was noted. The crime situation remained generally the same although there was a definite decrease in major crimes. Gaols in the area continued to be overcrowded. Numerous complaints were received of theft of chickens, fruit and other farm produce, and the accusations were directed against Italian troops in the area.

54. It was hoped to find a market for fruit in SWITZERLAND, but difficulties were foreseen as SWITZERLAND has a very good crop this year. However, the local Chamber of Commerce intends to export quantities of fruit and wines to Allied troops in AUSTRIA. Contracts worth 300 million lire were made for the export to SWITZERLAND of South Tyrolean wines. Arrangements for export to SWEDEN were also made. The industrial situation remained precarious owing to lack of liquid and solid fuel and a shortage of raw materials. It was anticipated that some of the factories in the area would be compelled to close down. The food situation in the Province was satisfactory but crops in general are very late this year on account of the weather conditions. Heavy rains during the month caused some decrease in the fruit crop especially in the ADIGE VALLEY. The fodder situation was very good. Unemployment increased, the unemployed numbering 3,200. Arrangements were made by the Chamber of Commerce for a number of these to go to SWITZERLAND to work in hotels; the conditions of salary, etc. were favourable.

55. Public Health was good and the medical supply situation was excellent.

56. Orders were received to the effect that the Displaced Persons Camp No.19 was to be handed over to the Italian Government by 21 July. There were 1,182 Displaced Persons in the Camp of whom 1,161 were GERMANS. Discussions regarding their return to GERMANY were in progress.

57. Italian courts functioned [illegible] due to lack of personnel

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

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55. Public Health was good and the medical supply situation was excellent.

56. Orders were received to the effect that the Displaced Persons Camp No.19 was to be handed over to the Italian Government by 31 July. There were 1,188 displaced persons in the Camp of whom 1,161 were GREEKS. Discussions regarding their return to GREECE were in progress.

57. Italian Courts functioned slowly due to a lack of personnel, especially those with bi-lingual qualifications. - 5190

ABRUZZI and LAZIO.

58. The elections were carried out in all provinces in an orderly and serious fashion; the results of both the elections and the Referendum were calmly accepted by all parties and the population generally. The election of Dr NICOLA as President of the Republic was favourably commented upon. Meetings of the Big Four in PARIS created much interest and a general depression on the part of the people was evident at the decisions reached.

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

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

59. Although political events during the month required the attention of a large part of the police forces, crime did not show any appreciable increase and the situation was satisfactory.

60. Harvesting and threshing were in full swing and were yielding good results. The conferring of grain to the "consel" proceeded well. Shortage of coal, electric power, raw materials and high production costs hindered the recovery of industry. However, there was a slight decrease in unemployment figures. Public works were being furthered to the full extent of funds allotted, thus relieving the unemployment situation considerably.

61. Public health was generally good, measles being the only cases showing any considerable numbers.

62. Transport and communications showed a steady improvement. In ANCONA the city tram system was partially rehabilitated and fast trains to and from ROME were reinstated. In PERUGIA the city bus lines recommenced to operate and in ASCOLI PICENO the railway line ASCOLI-PORTO d'ASCOLI was reopened to traffic.

ROME CITY AND PROVINCE.

63. Polling during the elections was notably heavy and the people showed great interest, considerableness and public spirit, many waiting in queues to cast their vote for up to periods of six hours. The results of the Referendum and the elections were received calmly. The conflict between King UMBERTO and the Government on the legality of the Referendum results gave rise to a delicate situation but the King's departure restored the balance. The verdict of the Supreme Court of Cassation banished any doubts as to the results of the Referendum and the population showed a genuine desire to relegate politics to the background and get on with their jobs. The amnesty decree was interpreted as a definite step towards more normal conditions and the establishment of good feelings in the new Republic.

64. Criminal activity was kept under control in spite of the widely spread economic uneasiness. Many cases of suicide were reported.

65. Unemployment continued to present a very difficult problem; the increasing numbers of "reduci" and ex-PW's swelled the ranks of the unemployed. Prices remained high and in some cases increased. Factories were handicapped by a lack of raw materials and insufficient coal thus preventing increased production and therefore re-employment.

66. A very good cereal crop is expected and threshing commenced during the month. There was, however, a lack of farm implements, petrol and fertilisers and there were numerous disputes between landowners and tenants. The cost of farm implements was high and improvements and reorganisation by farms proceeded very slowly. POL allocations to farms were insufficient and delayed operations thus forcing farmers to buy petrol on the black market as the work could not be postponed. Prices fixed by the Granai del Popolo and bonuses for early delivery while showing a sizeable increase over last year's figure were still not considered high enough and it was expected that there would be considerable evasion of the law.

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

62. Transport and communications showed a steady improvement. In ANCONA the city tram system was partially rehabilitated and boat trains to and from ITALY were reinstated. In PESCARA the city bus lines recommenced to operate and in ASCOLI PICENO the railway line ASCOLI-PORTO d'ASCOLI was reopened to traffic.

ROAD CITY AND PROVINCE.

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64. Criminal activity was kept under control in spite of the widely spread economic unrest. Many cases of suicide were reported.

65. Unemployment continued to present a very difficult problem; the increasing numbers of "reduci" and ex-POW's swelled the ranks of the unemployed. Prices remained high and in some cases increased. Factories were handicapped by a lack of raw materials and insufficient coal thus preventing increased production and therefore employment.

66. A very good cereal crop is expected and threshing commenced during the month. There was, however, a lack of farm implements, petrol and fertilisers and there were numerous disputes between landowners and tenants. The cost of farm implements was high and improvements and reorganisation by farms proceeded very slowly. POL allocations to farms were insufficient and delayed operations thus forcing farmers to buy petrol on the black market as the work could not be postponed. Prices fixed by the Comni del Popolo and bonuses for early delivery while showing a sizeable increase over last year's figure were still not considered high enough and it was expected that there would be considerable evasion of the law. Government control appeared to be very slack but lack of adequate transport and insufficient personnel made close supervision very difficult. There was an abundance of fresh fruits and vegetables in the markets and the forage yield is believed to be sufficient to maintain cattle in the province throughout the year. Livestock increases were very satisfactory.

67. Transportation in the city was much improved and was almost back to normal although an increase in the number of vehicles to transport workers from the outskirts of the city to the centre was needed. The ORTE LIDO railway line commenced operations during the month making it possible for approximately 50,000 people to be transported daily to the sea. This service was being supplemented on holidays allowing for an additional 30,000. There was little work done on roads.

68. No infectious diseases were reported during the month and public health was generally good.

AMG UDINE PROVINCE

69. As elsewhere, the general election and the referendum on the Monarchy on the 2nd and 3rd of June took place in conditions of tranquillity. Arrangements for the elections were well organized and no incidents of any kind were reported. The poll was remarkably high except in one or two communes in the VAL CANALE where Slav and Austrian minorities did not vote. Although figures on the Referendum were in many cases very close, the results were received throughout the Province in a calm and orderly manner. Since the elections, party politics tended to fade into the background and attention was focussed chiefly upon the international situation, particularly as it affected Italian interests both in UDINE and VENEZIA GIULIA. Genuine anxiety was expressed over the possible fate of TRIESTE and VENEZIA GIULIA; this was increased during the month by a number of incidents provoked by Slav or pro-Slav elements throughout the Province, some of which had repercussions chiefly in the CIVIDALE area. Polling during the elections was particularly high in those areas to which the Slavs lay claim.

70. Some anxiety was felt by officers and men of the Carabinieri as to their position under the Republic, but they continued to carry out their duties loyally and satisfactorily. The economic situation as regards Carabinieri was materially improved by the increase of the "caro-vita" (cost of living bonus). The uniform and clothing situation left much to be desired. The prison situation was much improved; there were 500 detainees and this figure was expected to be reduced considerably as a result of the recently proclaimed amnesty. There was a slight increase in the number of armed robberies, but an encouraging number of good arrests were made. Resolute and efficient action was being taken by all police forces to combat crime. Some hidden arms were recovered during the month but there was little doubt that a large amount continued to be concealed throughout the Province.

71. Regular distribution of all rationed foodstuffs continued and all sick people received the normal supplementary rations as did heavy workers. Wheat threshing progressed satisfactorily and reached the figure of 2500 tons. Violators of the threshing laws were being denounced with wide publicity given in the local press. Food prices generally remained at the same high level nor was there any indication of any fall in prices in the near future. The general agricultural situation was highly satisfactory: a great increase was expected in the potato crop and the prospects as regards vines and fruit trees were promising. The serious position of coal supplies was alleviated by the arrival of 1500 tons. Tyres for vehicles continued to be in short supply. Industry, generally, reached an average of 43% normal production and the number of workers was approximately 58% of normal.

72. Public Works approved by the the Magistrate totalled 317 million lire, 69% of the programme authorised by the Ministry. Severe storms during the month caused much damage to roads; in one storm alone some 15 million lire worth of damage was done to Route 13 (L of C to UDINE and AUSTRIA).

73. A total of 1380 refugees passed through the Refugee Centre of which 1162 were Italians. The remainder included Poles, Russians, Jugoslavs, Hungarians, Austrians and Rumanians.

74. Although Public health was generally good there were a number of infections diseases throughout the Province, measles being most prevalent.

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

pro-Slav elements throughout the Province, some of which had repercussions chiefly in the CIVIDALE area. Polling during the elections was particularly high in those areas to which the Slavs lay claim.

70. Some anxiety was felt by officers and men of the Carabinieri as to their position under the Republic, but they continued to carry out their duties loyally and satisfactorily. The economic situation as regards Carabinieri was materially improved by the increase of the "carovita" (cost of living bonus). The uniform and clothing situation left much to be desired. The prison situation was much improved; there were 300 detainees and this figure was expected to be reduced considerably as a result of the recently proclaimed amnesty. There was a slight increase in the number of armed robberies, but an encouraging number of good arrests were made. Resolute and efficient action was being taken by all police forces to combat crime. Some hidden arms were recovered during the month but there was little doubt that a large amount continued to be concealed throughout the Province.

71. Regular distribution of all rationed foodstuffs continued and all sick people received the normal supplementary rations as did heavy workers. Wheat amassing progressed satisfactorily and reached the figure of 3500 tons. Violators of the amassing laws were being denounced with wide publicity given in the local press. Food prices generally remained at the same high level nor was there any indication of any fall in prices in the near future. The general agricultural situation was highly satisfactory: a great increase was expected in the potato crop and the prospects as regards vines and fruit trees were gratifying. The serious position of coal supplies was alleviated by the arrival of 1500 tons. Tyres for vehicles continued to be in short supply. Industry, generally, reached an average of 43% normal production and the number of workers was approximately 58% of normal.

72. Public Works approved by the the Magistrato totalled 547 million lire, 60% of the programme authorised by the Ministry. Severe storms during the month caused much damage to roads; in one storm alone some 15 million lire worth of damage was done to Route 13 (L of C to UDINE and AUSTRIA).

73. A total of 1330 refugees passed through the Refugee Centre of which 1162 were Italians. The remainder included Poles, Russians, Jugoslavs, Hungarians, Austrians and Roumanians.

74. Although Public health was generally good there were a number of infections diseases throughout the Province, measles being most prevalent.

AMG VENEZIA GIULIA

5189

75. A number of disturbances and political incidents took place during the month. These began with the Italian elections and Referendum on June 2nd and culminated in the storming at TRIESTE on 30th June of the "Round Italy" bicycle race. Public agitation was maintained at a high pitch throughout the month by the protracted PARIS discussions on the fate of VENEZIA GIULIA and TRIESTE. The predominant feature was the violence of Italian extremists who felt that POLA and RIJEKA were lost and that the DEGASPERI plan for VENEZIA GIULIA would be adopted. While official expression on both sides condemned the DEGASPERI plan for an international state, more moderate elements agreed that the plan might be workable provided it includes a larger part of VENEZIA GIULIA. A popular suggestion was that the plan should include all territory between the ISONZO and the NATISONE RIVER. Other Italian groups favoured the DEGASPERI plan but felt it should provide for a plebiscite to take place

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

in about 5 or 10 years' time. Jugoslav Officials in VENEZIA GIULIA stated that their nation would never renounce its demands for complete annexation of TRIESTE to JUGOSLAVIA. The general impression gained from political circles on both sides was that if the present plan for internationalization of TRIESTE is promulgated both sides will continue to hope for and work towards eventual annexation of the territory comprising the new international zone. This would partly explain Italian bitterness as POLA and ISTRIA would be forever lost to ITALY being out of the proposed International Zone and also UAIS agitation in GORIZIA and MONFALCONE.

76. Civil Police were fully employed actively engaged during the month in dealing with the many demonstrations, processions, meetings and political incidents: leaves and rest days had to be suspended. Morale of the Force was maintained principally by active participation of Allied officers during this critical time. Crime returns showed a slight increase but this may be accounted for by greater efficiency in the keeping of records and an increased tendency on the part of the public to report crimes to the police. With effect from 7 June the control of wheat pressing commenced. In the MONFALCONE Area the AMG Order was disregarded by many farmers. On 21 June a crowd of demonstrators forced the main gate of the Prison at MONFALCONE with the intention of getting free the detainees. They did not succeed. In the GORIZIA Zone Finance Guards operated successfully against Black marketeers. Conduct of Allied troops was generally good, there being no cases of serious misconduct in public. Prison population showed a slight increase and there existed considerable discontent amongst the inmates of the prisons because the General Amnesty, conceded recently by the Italian Government does not apply to VENEZIA GIULIA.

77. Summary Courts tried 202 persons, a sizeable decrease from the figures for The number of pending cases also showed a considerable drop. Ordinary Civil Courts functioned with reasonable satisfaction.

78. Advances on cost of living increases to pensioners were authorised pending issue of a General Order. A thorough examination of Police Finances was in the course of completion. During the month it was finally decided not to reactivate the State Lotteries. The source of revenue from Customs Tax increased and there was more cooperation from some of the Jugoslav Customs while others remained rebellious.

79. The Italian decree for deconstruction of Allied owned property was being implemented and a decree was anticipated from the Italian Government releasing control of AUSTRIAN property and treating Austrians as other nationals. Final instructions were given for release of bank accounts and securities of JEWS which were confiscated by the Germans.

80. The economic situation in POLA was very serious. Contractors were reluctant to make bids on Public Works which is the main source of employment. Most contractors demanded 100% payment before making commitments. Italian capital was virtually not available in POLA for short term enterprise and many of the merchants and industrialists were making every effort possible to move their assets out of the area. This situation increased unemployment figures. The removal of plants and machinery to ITALY was prohibited by AMG. A widespread feeling of hopelessness pervaded throughout the Italian section of the population of POLA. Large numbers of people signified their intentions of leaving the area and the stream of refugees continued daily, transporting as much of their furniture and belongings as was possible. Economic life was at a standstill; even the rehabilitation of the town itself had stopped.

81. Normal rations were issued during the month with the exception of pasta

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

public to report crimes to the police. With effect from 7 June the control of wheat amassing commenced. In the MONFALCONE Area the Anti Order was disregarded by many farmers. On 21 June a crowd of demonstrators forced the main gate of the Prison at MONFALCONE with the intention of setting free the detainees. They did not succeed. In the GORIZIA Zone Finance Guards operated successfully against Black marketeers. Conduct of Allied troops was generally good, there being no cases of serious misconduct in public. Prison population showed a slight increase and there existed considerable amusement amongst the inmates of the prisons because the General Amnesty, conceded recently by the Italian Government does not apply to VENEZIA GIULIA.

77. Summary Courts tried 262 accused, a sizeable decrease from the figures for The number of pending cases also showed a considerable drop. Ordinary Civil Courts functioned with reasonable satisfaction.

78. Advances on cost of living increases to pensioners were authorised pending issue of a General Order. A thorough examination of Police Finances was in the course of completion. During the month it was finally decided not to reactivate the State Lotteries. The source of revenue from Customs Tax increased and there was more cooperation from some of the Juvenile Courts while others remained rebellious.

79. The Italian decree for deSequestration of Allied owned property was being implemented and a decree was anticipated from the Italian Government relearing control of AUSTRIAN property and treating Austrians as other nationals. Final instructions were given for release of bank accounts and securities of JEWS which were confiscated by the Germans.

80. The economic situation in ZONE A was very serious. Contractors were reluctant to make bids on Public Works which is the main source of employment. Most contractors demanded 100% payment before making commitments. Italian capital was virtually not available in ZONE A for short term enterprise and many of the merchants and industrialists were making every effort possible to move their assets out of the area. This situation increased unemployment figures. The removal of plants and machinery to ITALY was prohibited by AFHQ. A widespread feeling of hopelessness pervaded throughout the Italian section of the population of ZONE A. Large numbers of people signified their intentions of leaving the area and the stream of refugees continued daily, transporting as much of their furniture and belongings as was possible. Economic life was at a standstill; even the rehabilitation of the town itself had stopped.

81. Normal rations were issued during the month with the exception of pasta which had to be cut from 200 to 300 grms. Reserved stocks of grain were exhausted on 26 June. One ship scheduled with 8000 tons of flour failed to arrive but by speeding up the armadia only a small quantity had to be borrowed from British Army sources.

82. With the seasonal movement of farm products and increased coal shipment from ARSA mines transportation showed an overall increase in traffic. Due to the shortage of POL only a few of the numerous requests for bus services could be granted. Warehouse traffic was normal; Cargoes received in the Ports and Warehouses totalled 35,834 tons. Commodities transported by Schooners Fleet totalled 20,420 tons. The Rail Section moved a total of 133,825.5 tons.

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

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

83. Efforts were made by political agitators during the month to organize the tenant farmers under Sindaci Unici. The farmers were ordered by these organisers to leave their grain in the fields and not have it threshed unless the farm owners signed contracts making a 75% - 25% division instead of the 50% - 50% division. However, a firm stand was taken by ANC and most of the threshing machines were again in operation. The fruit crop generally was about 50% better this season. Hay harvest also showed an increase although it is still far below requirements. A large forestry and pasture project was prepared for study and approval; 6000 workers could be employed for 110 days and an additional 1200 during autumn for tree planting. Fish prices continued low as a result of good catches and efficient distribution. Fish canning was held up due to difficulties in procuring cans and olive oil in sufficient quantities.

84. Industrial activities throughout the territory with the exception of POLA remained calm. Initial steps were taken to secure a proportion of any orders which may be placed in ITALY by the British Board of Trade for utility furniture. A limited gas service was maintained throughout the month and the electricity situation was adequate. In the shipbuilding yards no orders for new construction of any importance were secured during the month. CRDA's (the shipbuilding firm) proposal to build 3 tugs for sale on completion was approved. The ROSSI Cotton Mill resumed production and industries supplying building materials bricks, tiles, timber, cement etc. were meeting local requirements. Steady progress was made on port reconstruction and urgent military jobs.

85. The sale of cloth manufactured in the GORIZIA Mills progressed 50,000,000 lire worth having been sold to date. This plant was operating to full capacity.

86. The financing of the Communal housing programme was approved. This programme calls for the construction of 800 low-rental apartments. Marine salvage work, mine disposal and dredging increased and the work on Borifices and hydraulics showed good results not only in improving the unemployment situation but in actual increase in agricultural production. The number employed on Public Works increased, the total being 12,665. Of 41 bridges destroyed in the territory 12 have been rebuilt and 20 were in the process of being rebuilt.

87. Labour Offices continued to perform excellent work. There was an increase of 1146 in unemployment figures in the whole of VENEZIA GIULIA. Categories mainly affected were clerical, maritime, and postal workers. During June, food costs for a standard family reached the lowest index since January both in TRIESTE and GORIZIA. Meetings both public and private (on industrial premises) reached a record level during the month. This increased activity intended mainly to provoke agitation was coupled with a more untractable attitude of the "Sindaci Unici" and suggested that the political machine behind the Sindaci Unici was paving the way towards a climax.

88. Public Health during the month was good. Typhoid in TRIESTE showed a slight increase. The Comitati Assistenza Post-Bellica (Welfare organization) functioned satisfactorily and was organising numerous childrens' holiday camps.

89. There was no appreciable change in figures of Displaced Persons; 1735 arrived and 1715 departed. Refugee movement from POLA increased.

90. Politically Italian schools comported themselves well. The PWOO School Section intensified its attacks on the school administration of the Territory. Unauthorised text books were confiscated in SLOVENE schools of S.GIOVANNI and [illegible]. The PWOO School Section called a meeting of [illegible] teachers and instructed

orders which may be placed in [illegible] by the British Board of Trade for utility furniture. A limited gas service was maintained throughout the month and the electricity situation was adequate. In the shipbuilding yards no orders for new construction of any magnitude were secured during the month. CRDA's (the shipbuilding firm) proposal to build 3 ships for sale on completion was approved. The MONCH Cotton Mill restored production and industries supplying building materials bricks, tiles, timber, cement etc. were meeting local requirements. Steady progress was made on port reconstruction and current military jobs.

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89. There was no appreciable change in figures of Displaced Persons; 1735 arrived and 1715 departed. Influxe movement from ZONE B increased.

90. Politically Italian schools comported themselves well. The FMOO School Section intensified its attacks on the school administration of the Territory. Unauthorised text books were confiscated in SLOVENE schools of S.[illegible] and [illegible]. The FMOO School Section called a meeting of AMG teachers and instructed them that they would be required to go to Jugoslavia for training during the summer months. However, AMG has established a summer refresher course in Slovene language and educational methods and attendance will be a prerequisite to employment [illegible] the coming school year. Slavic schools have been continually interrupted by [illegible] nalist and political uprisals during the past year. They have been engulfed in political indoctrination visible in the text books which FMOO has attempted to impose upon a great part of the population. Teachers have been intimidated and often forced to disregard the instruction given by recognised school authorities and use instead, the directions of FMOO.

91. A check of sub-post offices showed that all were functioning and only 3 were thought to be under the influence of FMOO. No wire shafts were reported during the month.

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

92. All printed material pertaining to the electoral rolls was delivered during the month and many communities were working on their preparatory lists.

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

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

PART II.

CIVIL AFFAIRS SECTION

LOCAL GOVERNMENT SUB-COMMISSION

1. A close technical study of the election procedure was made by the Sub-Commission in ROME, NAPLES and MILAN. (Please see Appendix A). Public order was good, the numbers of voters remarkably high and the procedure prescribed by law was properly followed. In view of the allegations made prior to the elections that electoral certificates were being deliberately withheld from voters, particular attention was paid to this point. The number of certificates remaining undelivered at the close of the polls was 5.2% of the registered electorate. Numerous complaints were made to the Allied Commission alleging that the elections had been irregularly or fraudulently conducted and requesting that AC should intervene. The policy adopted by Allied Commission was to refuse to receive such complaints and refer the complainants to the remedies under the Italian law which are considered adequate. The Chief Commissioner called upon the Italian Minister on 21 June and expressed on behalf of the United States and British Governments their congratulations on the orderly manner in which the elections were carried out.

LEGAL SUB-COMMISSION

2. Allied Military Courts, Superior and Summary were in session in VENEZIA GIULIA and UDINE Province during the month. Italian Courts functioned with reasonable satisfaction. No General Court cases were tried. The numbers of pending cases continued to decrease.
In UDINE a number of Proclamation offences of lesser importance were handed over to the Italian Government. The Court of Appeal of Naples continued to be concerned with its ever-present material and personnel problems. The various courts disposed of 211 cases involving 319 defendants for crimes against the Allied Forces. In VENEZIA GIULIA the Ordinary Court of Assize recessed for vacation but as there were 13 cases pending trial a request was directed to the Court Officials to institute a special term of court to dispose of some of these cases in July.

PUBLIC HEALTH SUB-COMMISSION

3. Very little incidence of communicable disease was reported during the month. The only disease of any import was smallpox and figures were the lowest for many months. The total for the whole of Italy was 40. Deaths from all forms of tuberculosis totalled 169 as compared with 202 in April.

PUBLIC SAFETY SUB-COMMISSION

4. Good order prevailed during the two days of the elections and Referendum on the 2nd and 3rd of June. This tranquility prevailed for a few days until the first published results. Demonstrations involving crowds varying from a few hundred to several thousands took place without any serious results until 11 June. That evening a large Monarchist demonstration consisting of several thousand people collected outside the Communist Headquarters in NAPLES demanding

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

that AC should intervene. The policy adopted by Allied Commission was to refuse to receive such complaints and refer the complainants to the remedies under the Italian law which are considered adequate. The Chief Commissioner called upon the Italian Minister on 21 June and expressed on behalf of the United States and British Governments their congratulations on the orderly manner in which the elections were carried out.

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4. Good order prevailed during the two days of the elections and Referendum on the 2nd and 3rd of June. This tranquility prevailed for a few days until the first published results. Demonstrations involving crowds varying from a few hundred to several thousands took place without any serious results until 11 June. That evening a large Monarchist demonstration consisting of several thousand people collected outside the Communist Headquarters in NAPLES demanding that Republican and Communist flags be removed. Strong action was necessary to disperse the crowd who fired on the Police and threw hand grenades. 7 persons were killed and 64 civilians and Police wounded. In VENEZIA GIULIA demonstrations took place in TRIESTE on 12th and 30th June. On the former date there was an unauthorized anti-Italian demonstration by about 2000 people. The demonstrators refused to disperse and opened fire on the police. Finally tear gas bombs were used by Allied officers and order was restored. There were 23 civilian casualties and 8 police injured. On 30 June competitors in a "Round Italy" cycling race were attacked by Jugoslavs near [illegible]. The race was abandoned and demonstrations took place in TRIESTE; Military Police were called on to assist civil police. At one stage a hand grenade was thrown under a jeep wounding 2 American officers and 2 enlisted men. There were 8 Police casualties; civilian casualties were 2 dead and 21 injured; 10 arrests were made. Continued improvement was noted in the civil police forces. Crime was generally reported to be on the decrease since the elections

5187

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

Carabinieri carried out their duties very well during the elections. The Amnesty helped to ease the problem of prison overcrowding but the release of so many criminals at the same time is expected to have its natural repercussion in future months.

DISPLACED PERSONS SUB-COMMISSION

5. During the month the re-shuffling of displaced persons between UNRRA and IRRIC Camps was completed. At the end of June UNRRA had taken over the responsibility for feeding the Camps in SOUTHERN ITALY and were endeavouring to get stock piles in position for the Camps in NORTHERN ITALY which will continue to be supplied by the military until the SACMED/UNRRA Agreement is signed. As a result of extensive fruitless endeavours to obtain clearance for the German nationals in [redacted], AFHQ considered it impracticable to effect the closing of the Camp by first evacuating the Germans accommodated therein. Unless the Italian Government agree to take over the responsibility it will be necessary to close the Camp and disperse the inhabitants.

6. It was not possible at this stage to make an estimate of the number of PWIS who will remain in the Centre at TARANTO and TRANI at the completion of the movement of 2 Polish Corps to the UK. The number was expected to be considerable. No illegal Jewish entrants into Italy through the IRRIC PASS were reported.

7. On the 4 June the M/V "[redacted]" of 820 tons flying the flag of the PANAMA REPUBLIC arrived in GENOA from NEW YORK. The vessel called in GENOA to put a member of the crew ashore who was sick. She then sailed to SAVONA where certain repairs were carried out. Reports stated that nightly trucks with civilian drivers came alongside the vessel and loads were replaced on board. These proceedings aroused the suspicion of the authorities of SAVONA who suspected that the ship was about to embark clandestine passengers. On 10 June the Captain of the vessel asked the Harbour Master of SAVONA for sailing orders to PORT SAID and at 2100 hrs that day the ship left SAVONA. Public Safety Agents noticed that the vessel, instead of sailing due south for PORT SAID, took a westerly course and anchored soon after off the shore of VADO LIGURE. The officers immediately left for VADO LIGURE and arrived just in time to be present at the arrival of a number of civilian trucks which discharged 1250 Jews who were immediately taken on board the vessel by the boats belonging to the "[redacted]". The Jews had no documents and declared that they had come from various concentration camps. Attempts were made by Finance Guards to prevent the Jews boarding the ship but were unsuccessful owing to their small numbers. Consequently the Jews got safely on board, the ship's moorings were cut and the vessel sailed.

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

a result of exhaustive fruitless endeavours to obtain clearance for the German nationals in [illegible], AFHQ considered it impracticable to effect the closing of the Camp by first evacuating the Germans accommodated therein. Unless the Italian Government agree to take over the responsibility it will be necessary to close the Camp and disperse the inhabitants.

6. It was not possible at this stage to make an estimate of the number of PWIKS who will remain in the Centre at BARLETTA and TRANI at the completion of the movement of 2 Polish Corps to the UK. The number was expected to be considerable. No illegal Jewish entrants into Italy through the BRENNER PASS were reported.

7. On the 4 June the S/S "HEARTHSTONE" of 820 tons flying the flag of the PANAMA REPUBLIC arrived in GENOA from NEW YORK. The vessel called in GENOA to put a number of the crew ashore who was sick. She then sailed to SAVONA where certain repairs were carried out. Reports stated that nightly trucks with civilian drivers came alongside the vessel and loads were placed on board. These proceedings aroused the suspicion of the authorities of SAVONA who suspected that the ship was about to embark clandestine passengers. On 10 June the Captain of the vessel asked the Harbour Master of SAVONA for sailing orders to PORT SAID and at 2100 hrs that day the ship left SAVONA. Public Safety Agents noticed that the vessel, instead of sailing due south for PORT SAID, took a westerly course and anchored soon after off the shore of VADO LIGURE. The officers immediately left for VADO LIGURE and arrived just in time to be present at the arrival of a number of civilian trucks which discharged 1250 Jews who were immediately taken on board the vessel by the boats belonging to the "HEARTHSTONE". The Jews had no documents and declared that they had come from various concentration camps. Attempts were made by Finance Guards to prevent the Jews boarding the ship but were unsuccessful owing to their small number. Consequently the Jews got safely on board, the ship's moorings were cut and the vessel sailed.

- 16 -

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

FOOD AND AGRICULTURE (cont'd)

1. The wheat situation, which appeared to be very critical at the beginning of the month, improved rapidly towards the middle of the month due to unexpected progress made in threshing and delivering the new harvest. The estimate of wheat flour for June arriving was 15,000 tons but actual wheat deliveries totalled 30,000 tons by the 30th June. Temporary bread rations were reported in a few localities at the beginning of the month but these were rapidly met by the prompt transfer of flour from other provinces. Small arrivals of foreign wheat were the lowest in June of any month since 1945 and would have resulted in acute shortages of flour had not the new harvest been available. Total imports for the month were 130,000 tons. The predicted production of the bread ration proved to be unnecessary. However, the suspension of the pasta ration was extended through 7 July in order to conserve flour stocks as much as possible. Estimated stocks on 1st July were 400,000 tons. Sugar, fats and other rations were in short supply during the month. Fresh fruits and vegetables were plentiful in nearly all parts and were relatively cheap. A satisfactory plan was worked out by the Italian Government for the shipment of food rationed by the Allied Powers for black and Trieste and the distribution of meals of civilians employed by Allied Military Government. Much progress was made during the month in achieving substantial repayment and in putting up a supply programme against future needs for displaced persons. Two ships arrived in AMG territory during the month carrying chocolate and foodstuffs.

2. Good weather conditions for harvesting and threshing prevailed generally throughout Italy during the month. In a greatly nearly all the excellent crops of cereals were harvested and threshing was well under way. Good vegetable, maize crops and pastures were in need of rain, however and heavy hail storms were damaging mainly in PIEDMONT and PUGLIA, especially to corn and sugar beet. Wheat yields were high, two main areas notably higher than were predicted, (107,000 tons more than was forecast at the end). Yields of other cereals were also proving to be good, notably oats which in some areas at a rate the crop harvest of 1946. Rice showed an unusually healthy condition at the time. Heavy rains and low temperatures were responsible for a poor setting of the potato crop, a fine growing crop. The production of potatoes is expected to be double that of 1946. Damage was caused to fruit trees in some provinces by strong winds but a good crop of fruit was generally obtained and of good quality.

3. The only new laws received during the month were DL.CD and IT legislation was introduced fertilizers, oil mills, tractors and a new plough pure

COMMERCE (FOREIGN TRADE) (cont'd)

4. During the month discussions were held with the Ministry of Foreign Trade regarding trade between ITALY and the OCCUPIED TERRITORIES. It is an aim to resume her trade with her former colonies in the raw materials of food available in these areas. Currently, Italy has many claims which are needed in these areas. In particular Libya's need for industrial sugar machinery to be solved if an increase in quality of fruit is not to be caused. Allied Powers has suggested three possibilities: (a) temporary imports, (b) loans from other countries, (c) non-allocation from UNRRA. The first was finally adopted, the second (b) is under consideration, the third (c) appears to be impossible, UNRRA stating that deficiencies in their imports in the coming

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[illegible] June in order to [illegible] flow about as much as during the month as at 1st July were 141,000 tons. During July [illegible] vegetables were plentiful in nearly all [illegible] the month. [illegible] A satisfactory plan was [illegible] by the Italian Government for the repayment of food [illegible] by the Allied Forces in Mainland Italy and for [illegible] Meals of civilians employed by Allied Military [illegible] during the month in which no [illegible] payment was made during the month in which a payment was made in getting up a supply programme against future needs for a [illegible] period. The ships arrived in Allied territory [illegible] the month carrying [illegible] foodstuffs.

2. Good weather conditions for harvesting and threshing prevailed generally throughout Italy during the month. In a few districts heavy rain [illegible] of cereals but harvesting was well under way. Most vegetables, [illegible] crops and potatoes were in need of more moisture. A heavy hail storm [illegible] did damage locally in Puglie and Apulia. Locusts [illegible] in small numbers in Puglie and Apulia, but no serious damage was reported. Weevil infestation [illegible] was reported in stored grain. The wheat yield [illegible] (167,000 tons) [illegible] Also [illegible] of [illegible] harvests of [illegible] [illegible] [illegible]

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

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

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

14. On the 13th June traffic on the UDINE-TARVISIO line was interrupted due to heavy rain. However traffic was restored on the 14th evening. The bridge at [illegible] between TARVISIO and TRIESTE was destroyed on the 11 June, it is hoped that repairs will be completed by the 10 July. At the beginning of the month the electric line between TRIESTE and VILLA [illegible] was cut and the line was the completion of the UDINE-TRIESTE electric line. Electric traction was also established between MILE and SESTO SAN GIA, and [illegible]

15. Information received that ENIC was to be abolished and replaced by a special office under the Ministry of Transport. Repairs to road surfaces and bridges proceeded satisfactorily.

CAPTURED ENEMY MATERIALS (NAVAL).

16. Rolling stock for the month totalled 79 as compared with 35 during May. There were many [illegible] although most of these are two large vehicle types in the North. The [illegible] which showed outside agency work, proof of this being the re [illegible] in all non-essential duties. Railways in the North were on a general strike, and in the South were supplied [illegible] vehicles, [illegible] railway personnel, [illegible] telephone and high tension cable, [illegible] and wooden pole [illegible]; all representing considerable [illegible]. Many hundreds [illegible] of Axis-owned C.I.T.E. in the Brindisi area and [illegible] were taken up with a view to [illegible], and handing over to Controls to the Italian Government. All MTK files were handed over to the Control Branch, Allied Commission.

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

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

PART IV

[redacted] SUB-COMMISSIONS

NAVY SUB COMMISSION

1. The Italian cruisers "Scipione Africano" and " Abruzzi", in addition to several smaller vessels, continued to repatriate Italian POW from the Red Sea and the LT/AVT Area during the month. The ex hospital ship "Toscana" arrived in MASSAWA to embark about 1500 Italians nominated for repatriation.

2. Minesweeping continued in all light areas where Italian M/S Groups are operating. A further small M/S Group consisting of Motor Fishing Vessels was being constituted at [redacted].

3. The cable ship " Pompino" completed her refit in SICILY and began cable repair work on the CAGLIARI (SARDINIA) - TALAMONI cable.

4. On 6th June the " Abruzzi" departed from Naples for LISBON with the Queen and members of the Royal Family on board.

5. A large quantity of stores and equipment recovered in [redacted] ITALY of naval origin was turned over to the Ministry of Marine for the maintenance of the Italian Navy. Many ammunition torpedo parts and other material of a potentially offensive nature was ordered to be destroyed or scrapped.

6. Arrangements were made during the month to supply the Italian Navy Mine Sweepers operating from GENOA with suitable coal made available by [redacted] Coal Branch. The quantities of coal supplied will be released by [redacted] from Italian Naval Coal stocks at LEGHORN. As the supply and maintenance of Italian Warships in the Mediterranean is a British responsibility, the Royal Navy was authorised to make payments on behalf of the Italian Navy for supplies and services rendered to Italian warships by the [redacted] Authorities in NORTH AFRICA. These payments will be reduced by the Ministry of Marine in the lire equivalent.

LAND FORCES SUB-COMMISSION

7. The strength of the Italian Army as at 1 June was 217,641 including Carabinieri (64,554).

8. For the first fortnight of the month, training at the various schools was interrupted by the absence of recruits and permanent staff on security measures required for the election and referendum period. The outcome of the referendum was greeted with great disappointment by many of the officers whose initial thoughts favoured resignation of their commissions. Training, however, recommenced and progressed favourably.

9. Of the classes recently recalled for military service, 1,350 returned [redacted] were in service with the Carabinieri Corps. It is anticipated that by the 15th July the effective strength of the Carabinieri will be approximately 64,200. Recruiting exceeded wastage (due to retirement, non re-engagement etc.) by appreciable margin. The position as regards arms and ammunition appeared to be satisfactory.

10. Equipment maintenance stores continued to be issued to the Italian Army from Allied surpluses. Releases of suitable vehicles armaments, tyres and spare [redacted]

3. The cable ship " Ampino" completed her refit in SPEZIA and began cable repair work on the CAPRERA (SARDINIA) - TALAMONE cable.

4. On 6th June the " Aurunci" departed from Naples for LEGHORN with the Queen and members of the Royal Family on board.

5. A large quantity of stores and equipment recovered in NORTHERN ITALY of naval origin was turned over to the Ministry of Marine for the maintenance of the Italian Navy. Heavy ammunition torpedo parts and other material of a potentially offensive nature was ordered to be destroyed or surrendered.

6. Arrangements were made during the month to supply the Italian Navy Mine Sweepers operating from GENOA with suitable coal made available by MMBA Coal Branch. The quantities of coal supplied will be reduced by MMBA from Italian Naval Coal stocks at LEGHORN. As the supply and maintenance of Italian Warships in the Mediterranean is British responsibility, the Royal Navy was authorised to make payments on behalf of the Italian Navy for supplies and services rendered to Italian warships by the ITALIAN Authorities in NORTH AFRICA. These payments will be reduced by the Ministry of Marine in the Lire equivalent.

LAND FORCES SUB-COMMISSION

7. The strength of the Italian Army as at 1 June was 217,841 including Carabinieri (64,934).

8. For the first fortnight of the month, training at the various schools was interrupted by the absence of recruits and permanent staff on security measures required for the election and referendum period. The outcome of the referendum was greeted with great disappointment by many of the officers whose initial thought was prompted with great disappointment by many of the officers whose initial thought favoured resignation of their commissions. Training, however, recommenced and progressed favourably.

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10. Equipment maintenance stores continued to be issued to the Italian Army from Allied surpluses. Release of suitable vehicles armaments, tyres and spare parts having been provided in principle were taking a long time in practice with a certain amount of inefficiency resulting. The sorting out of accumulation as between the Italian Army, the Allied Army and Displaced Persons and refugees proceeded slowly and exchanges took place according to plan. Issues of Allied small arms for Allied weapons in the hands of the Italian Army and required for training purposes were approved by GHQ and were being made.

PRISONERS OF WAR DIVISION

11. Italian POW repatriated during the month totalled 43,717. (20,981 from British hands, 22,736 from other sources).

COMMUNICATIONS SUB-COMMISSION

12. Civilian long distance telephone circuits were increased by 22 during the month and military telephone carrier equipment of no further immediate use

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to Signals is to be loaned to the Ministry and will be set up where most needed to increase the numbers of civilian circuits. A 10% increase in the cost of all International telephone calls will come into effect next month owing to a devaluation of the lira with respect to the International Gold Franc.

13. Two additional frequencies were allotted to Italcable for working a second Radio Telegraph link to USA. This will be working to MacKay Radio.

14. The Italcable Service of US Troops telegrams between [redacted] and [redacted] AFO's and USA was extended so that telegrams are sent by electric means all the way.

15. A new Airmail service to [redacted] was introduced at the beginning of the month. Correspondence is despatched 3 times weekly from [redacted] to [redacted] for onward transmission by the British Service.

16. [redacted] became the office of Exchange for despatches to [redacted], JUGOSLAVIA, [redacted], BULGARIA, [redacted], [redacted], ROUMANIA, [redacted] and HUNGARY. [redacted] became the Office of Exchange for [redacted].

17. The Ministry of Posts and Telegraphs propose to re-introduce Internal Parcel Post Service with effect from 16 August 46. A request has been made for the dorequisiti of the [redacted] which is presently being used as an AFO.

AIR FORCES SUB-COMMISSION

18. The early part of the month saw little flying activity due to the continue shortage of fuel, and ground training was predominant. With the arrival of fuel flying activities were increased.

19. The Italian Government was authorised to establish offices on Allied controlled airfield in order that greater control may be exercised in enforcing Italia customs immigration laws. Authority was obtained for the Italian Government to purcha 20 surplus C 47 aircraft provided that the aircraft are not flown until proper author is obtained; that all instruments of war be removed, and that the aircraft be allotted to civilian aviation.

20. Plans were begun for a new seaplane base at [redacted] and the dorequisitioni of the Seaplane Base at [redacted] by the Royal Navy was completed.

21. The heads of the Italian Meteorological Office left ROME to attend an International Meteorological Conference in [redacted] which opened on 14 June. The main purpose of the conference was the simplification and standardisation of synoptic codes. A Conference was held at the Italian Air Ministry on the 4 June between British, Americ and Italian Meteorological representatives to discuss the facilities provided by the Italian Meteorological Service especially with regard to the demands of British and American Aviation.

22. Total strength of Italian personnel was 26,436 Italian Air Force, 1772 Italians working for the [redacted] and 1413 Italians working for the USAAF. Every effort was being made to bring the total strength down to 28,000.

23. The stolen M 79 aircraft from [redacted] airfield [redacted] (reported last month was flown to [redacted] from [redacted] airfield by Slav pilots escorted by two Slav fighters.

[redacted] were in hand for initiating the proposed regular service

16. VENICE became the office of Exchange for despatches to ALBANIA, JUGOSLAVIA, AUSTRIA, BULGARIA, CZECHOSLOVAKIA, POLAND, ROUMANIA, HUNGARY and RUSSIA. MILAN became the Office of Exchange for SWITZERLAND.

17. The Ministry of Posts and Telegraphs propose to re-introduce Internal Parcel Post Service with effect from 16 August 46. A request has been made for the derequisition of the MARIES STOPES WORKING OFFICE presently being used as an AMG.

AIR FORCES RE-ORGANISATION

18. The early part of the month saw little flying activity due to the continued shortage of fuel, and ground training was predominant. With the arrival of fuel flying activities were increased.

19. The Italian Government was authorised to establish offices on Allied controlled airfield in order that greater control may be exercised in enforcing Italian customs immigration laws. Authority was obtained for the Italian Government to purchase 20 surplus C 47 aircraft provided that the aircraft are not flown until proper authority is obtained; that all instruments of war be removed, and that the aircraft be allotted to civilian aviation.

20. Plans were begun for a new seaplane base at AUGUSTA and the derequisitioning of the Seaplane Base at S. ARCANGELO by the Royal Navy was completed.

21. The heads of the Italian Meteorological Office left ROME to attend an International Meteorological Conference in PARIS which opened on 14 June. The main purpose of the conference was the simplification and standardisation of synoptic codes. A Conference was held at the Italian Air Ministry on the 4 June between British, American and Italian Meteorological representatives to discuss the facilities provided by the Italian Meteorological Service especially with regard to the demands of British and American Aviation.

22. Total strength of Italian personnel was 26,436 Italian Air Force, 1772 Italians working for the RAF and 1413 Italians working for the USAAF. Every effort was being made to bring the total strength down to 26,000.

23. The stolen M 79 aircraft from LUCCA airfield WILD (reported last month was flown to BELGRADE from CERKLJE airfield by Slav pilots escorted by two Slav fighters.

24. Arrangements were in hand for initiating the proposed regular service between MILAN and BOLZANO. Authority was given for the use of aircraft to spray fruit and crops with insecticide. The undertaking was of an experimental nature and if successful, plans for a large scale campaign will be put forward.

25. Demolition work continued, including the breaking down of 14 Messerschmidt 323 Gruppes thus completing the destruction of all German aircraft in NORTHERN ITALY.

26. About 600 POW were repatriated during the month.

5183

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

27. The Fighter Wing assembled 3 each aircraft for UNRRA to be used for anti-malarial spraying in ITALY, GREECE and ALBANIA. Within 4 days of starting work the first aircraft was assembled and ready for air test. The fitting of spraying equipment was also undertaken by the Fighter Wing.

M S Nucl.

KELLEY N. SOULE
Rear Admiral, USNR
Chief Construction

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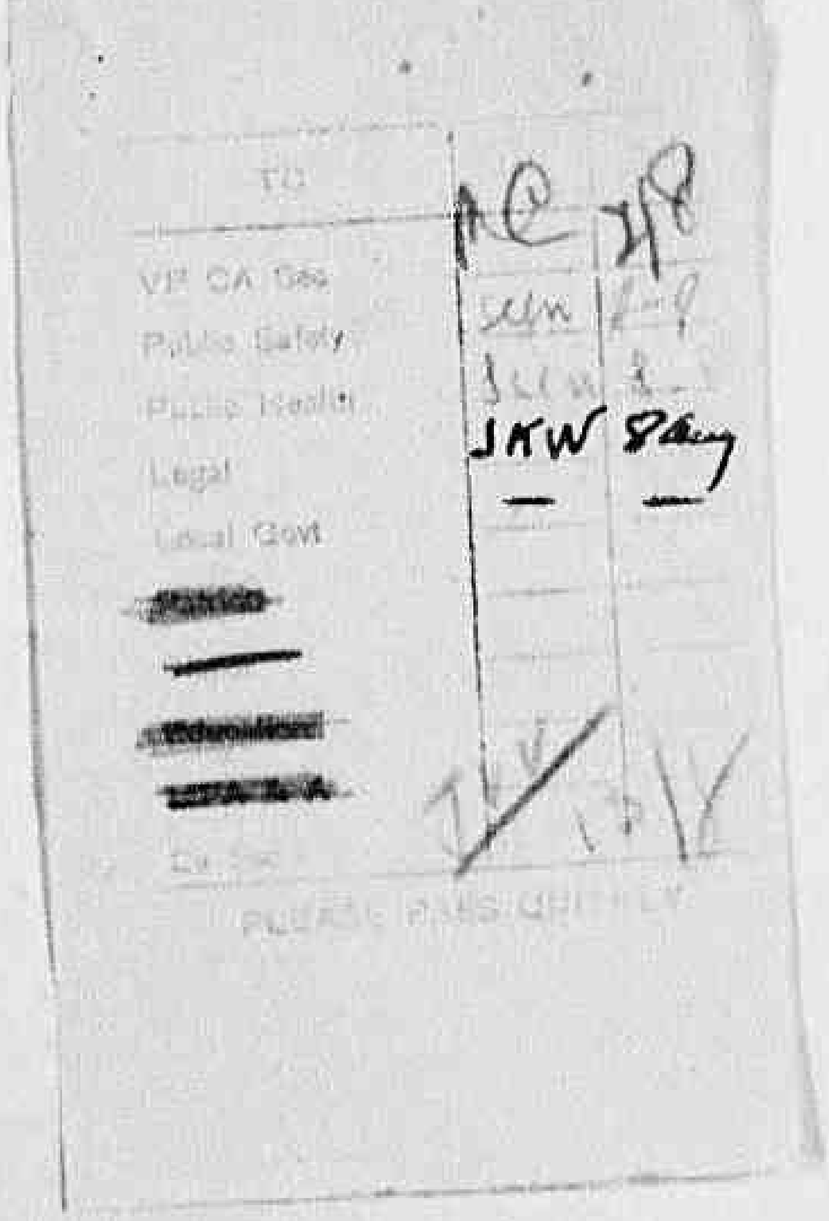

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HEADQUARTERS ALLIED COMMISSION
APO 794

MONTHLY REPORT

MAY - 1946

Ref.: G24/50

July 1946

-2 AGO 1946

ALLIED COMMISSION
SECTION
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APO 794

9/11/18

MONTHLY REPORT

MAY - 1946

- 2 AGO 1946

Ref.: 824/80

July 1946

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SECTION
2614
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5184

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

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HEADQUARTERS ALLIED COMMISSION
APO 794

MONTHLY REPORT

MAY - 1946

INDEX

	Page No.
POLITICAL SUMMARY	1 - 3
PART I -AMG AND LIAISON GROUP REPORTS	4 - 21
Liguria Region	4
Lombardia Region	5
Piemonte Region	6 - 7
Venezia Region	7 - 9
Naples and Calabria - Campania	9 - 10
Toscana Region	10
Bari and Puglie - Marche	10 - 11
Sicily	12 - 13
Emilia Region	13 - 14
Bolzano	14 - 15
Roma Area and Lazio-Abruzzi	15 - 16
AMG Udine Province	16 - 17
AMG Venezia Giulia	17
PART II -CIVIL AFFAIRS SECTION	22 - 23
Local Government Sub-Commission	22
Legal Sub-Commission	22 - 23
Public Health Sub-Commission	23
Public Safety Sub-Commission	23
Displaced Persons Sub-Commission	23
PART III-ECONOMIC SECTION	24 - 29
Food and Agriculture Branch	24 - 25
Agriculture Section	25 - 26
Commerce (Foreign Trade) Branch	26 - 27
Industry and Utilities Branch	27 - 28
Transportation Branch	28
Captured Enemy Materials Branch	28 - 29
PART IV -INDEPENDENT SUB-COMMISSIONS AND PUBLIC RELATIONS	30 - 32
Navy Sub-Commission	30
Land Forces Sub-Commission (MMLA)	30 - 31
	31

INDEX

Page No.

POLITICAL SUMMARY ..... 1 - 3

PART I -AMG AND LIAISON GROUP REPORTS .....
Liguria Region ..... 4 - 21
Lombardia Region ..... 4 - 5
Piemonte Region ..... 5 - 6
Venezia Region ..... 6 - 7
Naples and Calabria - Campania ..... 7 - 9
Toscana Region ..... 9 - 10
Bari and Puglie - Marche 10
Sicily ..... 10 - 11
Emilia Region ..... 12 - 13
Bolzano ..... 13 - 14
Rome Area and Lazio-Abruzzi ..... 14 - 15
AMG Udine Province ..... 15 - 16
AMG Venezia Giulia ..... 16 - 17
..... 17

PART II -CIVIL AFFAIRS SECTION .....
Local Government Sub-Commission ..... 22 - 25
Legal Sub-Commission 22
Public Health Sub-Commission ..... 22 - 23
Public Safety Sub-Commission 23
Displaced Persons Sub-Commission 23
..... 23

PART III-ECONOMIC SECTION .....
Food and Agriculture Branch ..... 24 - 29
Agriculture Section ..... 24 - 25
Commerce (Foreign Trade) Branch ..... 25 - 26
Industry and Utilities Branch ..... 26 - 27
Transportation Branch ..... 27 - 28
Captured Enemy Materials Branch 28
..... 28 - 29

PART IV -INDEPENDENT SUB-COMMISSIONS AND PUBLIC RELATIONS .....
Navy Sub-Commission ..... 30 - 32
Land Forces Sub-Commission (MMLA) 30
Air Forces Sub-Commission ..... 30 - 31
Communications Sub-Commission 31
..... 31 - 32

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

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

POLITICAL SURVEY.

1. The month was notable mainly for the abdication of King Victor Emanuel III in favour of his son Prince UMBERTO on May 9th. King Victor Emanuel signed the instrument of abdication and, according to custom, left Italy on a voluntary exile. The President of the Council stated to the press on the same evening that the essential point was that any change should not affect the solemn and unequivocal pledge given by the Crown to entrust its fate to the decisions of the referendum and the Constituent Assembly. He said he had no reason to doubt this. The King's abdication was the subject of bitter comment in the Left Wing press, particularly the Communist organ; the Nenni Party was accused of having violated the truce on the Institutional question.

2. At its meeting on May 10th, the Council discussed the situation arising out of King Victor Emanuel's abdication and Signor de GASPERI read to the meeting a letter from the new King UMBERTO II in which he confirmed that his father's action in no way altered the constitutional powers exercised by him (UMBERTO) in his capacity as Lieutenant-General; nor did it modify in any way the pledge he had given concerning the referendum and the Constituent Assembly.

3. Signor de GASPERI proposed that in view of these assurances the Council of Ministers should accept King UMBERTO's succession. Signor TOGLIATTI formally protested against what he termed a "violation of the institutional truce". Eventually after many hours of discussion, the Council approved a decree law of the simple formula providing that all the regulations on the limits of the powers of the Crown in accordance with Decree No. 98 of March 9 1946 should remain in force and that decrees and judgements should be issued in the name of "UMBERTO TWO SECOND, KING OF ITALY" only. On the same day the new King made a proclamation to the Italian people in which he swore before God that he would loyally respect the fundamental laws of the State as ratified and performed by the people's will and he confirmed his pledge to respect, like all other Italians, the free decisions of the imminent elections which he was certain would be taken bearing in mind the best interests of the country.

4. King UMBERTO's abdication was inevitably the cause for numerous demonstrations all of which passed off without serious incident.

5. The abdication was generally interpreted, especially in Left Wing political circles, as an astute move on the part of the Monarchist Party to improve its position in the forthcoming elections. Certain members of the Monarchist supporters organised vigorously for a party account of the elections, or at least of the holding of the referendum, on the grounds that the country had not been allowed sufficient time to settle down in order to take a well considered decision while Signor DE GASPERI said that, moreover, many hundreds of thousands of Italians would be unable to express their opinion on June the 2nd. This complaint took the form of approaches to various Allied officers, including the Chief Commissioner Allied Commission. In order to remove any form of misconception on the responsibility of the Allies in this matter a statement was published in the press to the effect that no memorandums or petitions requesting Allied Conclusion into matters would be received by the Allied Commission.

6. Political activity reached its peak during the month and every party

2. At its meeting on May 10th, the Council discussed the situation arising out of King Victor Emmanuel's abdication and Signor De GASPERI read to the assembled ministers a letter from the new King UMBERTO II in which he confirmed that his father's action in no way altered the constitutional powers exercised by him (UMBERTO) in his capacity as Lieutenant-General; nor did it modify in any way the pledge he had given concerning the referendum and the Constituent Assembly.

3. Signor de GASPERI proposed that in view of these assurances the Council of Ministers should accept King UMBERTO's succession. Signor TOGLIATTI formally protested against what he termed a "violation of the institutional truce". Eventually after any lengthy discussion, the Council approved a decree law of two Articles providing that all the regulations in the limits of the powers of the Crown in accordance with Decree No. 98 of March 6 1946 should remain in force and that decrees and judgements should be issued in the name of "UMBERTO TERZO, RE DI ITALIA" only. On the same day the new King made a proclamation to the Italian people in which he swore before God that he would loyally respect the fundamental laws of the State as ratified and protected by the people's will and he confirmed his pledge to respect, like all other Italians, the free decisions of the imminent elections which he was certain would be taken bearing in mind the best interests of the country.

4. King UMBERTO's abdication was inevitably the cause for numerous demonstrations all of which passed off without serious incident.

5. The abdication was generally interpreted, especially in Left Wing political circles, as an astute move on the part of the Monarchist Party to improve its chances in the forthcoming elections. Certain sections of the Communist and Socialist Press openly [illegible] the abdication, on the grounds that the country had not been given sufficient time to settle down in order to take a calm decision on this important matter and that, moreover, many hundreds of thousands of Italians would be unable to express their opinion on June the 2nd. This campaign took the form of approaches to various Allied officers, including the Chief Commissioner Allied Commission. In order to remove any form of misconception on the responsibility of the Allies in this matter a statement was published in the press to the effect that no considerations or petitions requesting Allied Commission intervention would be received by the Allied Commission.

6. Political activity reached its peak during the month and every party entered the fray with energy and vehemence. The placards were truly dominant and political posters filled the pages of every newspaper. Not until May 25th was the Italian Government officially informed that the Allied Governments regarded the institutional truce as terminated but long before that both Ministers and other supporters of the Monarchy and Republic had been attacking each other bitterly and [illegible] in preparation for the referendum. It was reported to have quickly and extensively the Monarchists developed their campaign and the betting showed from long odds against the Monarchy at the beginning of the month to even chances and indeed short odds for the Monarchy during the last week. The King himself was the principle prize-card in this eleventh hour rally of his supporters. He was ubiquitous, and carrying himself everywhere with dignity and energy, did much to sway a great number of voters towards the Monarchist cause. It was, however, generally admitted both by him and his followers that the Monarchist campaign had opened too late and with insufficient organization and stimulus to achieve victory at the polls.

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

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12. Meeting on May 15th, the Council of Ministers discussed public order in relation to the forthcoming elections. At the end of the discussion the Council formally reconfirmed its determination to hold the political elections and the referendum on June 2nd. The request of King UMBERTO for the publication of the Luogotenenza decree was considered and approved. The Luogotenenza decree will not be published until after the elections of June 2nd. A draft statute for the SICILIAN REGION which provides for a very wide autonomy of the Island with a large measure of decentralization within the framework of the United State was considered and approved and a similar statute for SARDINIA was also in preparation.

13. A declaration was approved at the Council's meeting on May 23rd regarding public order during the elections in which everyone was called upon to respect the decision of the referendum and stating that the Government was firmly determined to forestall and repress any acts of violence or intimidation.

14. It became known on May 16th that the four Foreign Ministers, having failed to reach agreement on the conclusion of a peace treaty with ITALY had agreed on an immediate revision of the armistice terms. The revision included the abolition of the Allied Commission and the creation in its place of a military commission attached to the Allied Control Commission; the ending of civil affairs agreements between ITALY and the UNITED STATES OF AMERICA on the one hand and ITALY on the other; the immediate release of all ITALIAN POWs; the confirmation of the declaration that the armistice will in no way affect ITALY's territorial position and future; an undertaking on the part of ITALY to bring war criminals; an undertaking on the part of the Italian Government and of the Allies to allow free elections. There was no agreement as to when the armistice would be signed.

[illegible] reject the decision of the conference, and stating that the Government was firmly determined to forestall and suppress any acts of violence or intimidation.

11. It became known on May 16th that the four Foreign Ministers, having failed to reach agreement on the conclusion of a peace treaty with ITALY had agreed on an immediate revision of the armistice terms. The provisions included the abolition of the Allied Commission and the creation in its place of a military commission attached to the Mediterranean Military Command; the forming up of civil relations corresponding between GREAT BRITAIN and the UNITED STATES OF AMERICA on the one hand and ITALY on the other; the immediate release and repatriation of all ITALIAN POWs; the confirmation of the declaration that the armistice would in no way affect ITALY's territorial position unfavourably; an undertaking on the part of ITALY to hand over war criminals; an undertaking on the part of the Italian Government and of the Allies to allow free elections. There was no information as to when the revised armistice would be signed.

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

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

PART I - LIAISON GROUP REPORTS

LIGURIA REGION.

1. The month was fraught with rumours of every sort resulting in a "war of nerves" among the political parties and infecting the general public who were so dazed that calm prevailed. In the early stages of the electioneering, the Communist Party flooded the countryside with posters and the usual writings on the walls. The Socialist Party was not far behind in this respect with the Christian Democrats a very bad third. Towards the end, the Monarchists came very much to the fore with meetings and propaganda. Since the abdication of Victor Emanuel and the assumption of the crown by Umberto, the Monarchist Party showed much greater activity. (These were their first public meetings). A surprise visit to GENOA was made by King Umberto II at the end of the month. He received a mixed reception and minor scuffles occurred although there was nothing of a serious nature. All political parties behaved excellently throughout the month. Many electoral speeches were made in each Province, all without disorder.

2. Railway traffic was suspended on the Italian French frontier for 3 days following a refusal by the Italian authorities to extend a permit to a French railway inspector to remain in ITALY. French railway personnel protested to the Italian authorities and afterwards returned to FRANCE. Apparently the Italians objected the French inspector for political activities on the frontier. However, the difficulties were sorted out reasonably quickly and rail traffic was resumed.

3. Public Safety was satisfactory in view of the prevailing difficulties and Police Agencies functioned well against the obstacles of political interference and lack of public faith. The C.C.R.R. were efficiently equipped, better disciplined than any of the other agencies and did excellent work. Guardia di Finanza, although handicapped by lack of motor patrol boats for work in the harbours of GENOA, SAVONA and LA SPEZIA, performed their duties very well. Crimes violence and serious offences decreased and public order was excellent in spite of the polemics and politics of the month. The prison situation was satisfactory and no incidents were reported. The number of clandestine Casinos which have sprung up increased. Fishermen complained of the lack of fuel for their fishing craft and quoted the numbers of luxury cars and motor coaches which come considerable distances to serve the Casinos. The Italian Authorities were aware of this situation and so far have taken no action.

4. Unemployment in the Region increased, there being 29,867 unemployed, 5,948 of whom were women. The total showed an increase of 6,502 over April figures. There were in addition several thousand non-registered unemployed.

5. The food situation remained unchanged. Black market bread was noticeably scarce, but vegetables and fresh fruits were plentiful as was fresh fish; these have helped the poorer classes to eke out their rations. The general shortage was reflected in the fact that thousands fed at the Menza Popolare in spite of the generally poor quality and small quantity of the food. There were sufficient flour stocks to maintain the bread ration until 11/12 June at which date a grain ship was expected. The excessive rainfall for the past few weeks

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

[illegible] Christian Democrats a very bad third. Towards the end, the Monarchists came very much to the fore with meetings and propaganda. Since the abdication of Victor Emanuel and the assumption of the crown by Umberto, the Monarchist Party showed much greater activity. (These were their first public meetings). A surprise visit to GENOA was made by King Umberto II at the end of the month. He received a mixed reception and minor scuffles occurred although there was nothing of a serious nature. All political parties behaved excellently throughout the month. Many electoral speeches were made in each Province, all without disorder.

2. Railway traffic was suspended on the Italian French frontier for 3 days following a refusal by the Italian authorities to extend a permit to a French railway inspector to remain in ITALY. French railway personnel protested to the Italian authorities and afterwards returned to FRANCE. Apparently the Italians ejected the French inspector for political activities on the frontier. However, the difficulties were sorted out reasonably quickly and rail traffic was resumed.

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3181

6. The handover of 7t Displaced Persons Camp in GENOA to UNRRA was completed. General health in the Region was extremely good, the only instance of prevalent diseases being measles.

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

7. Rail movements for the month dropped below those of April, partly due to the diminished number of vessel arrivals. Movements into 15 Corps Area and the rest of ITALY were not successfully and without difficulty. Work on the doubling of the line between BIVIO POLCEVERA and MIGNANEGO was commenced; this is one of the most important lines leading to the North. Doubling of the track on the GENOA-LA SPEZIA line between LAVAGNA and RIVA TRIGOSO was completed. During the first 30 days of May only 6 colliers arrived in the ports of GENOA and SAVONA, carrying a total of 49,091 tons of UNRRA coal. This resulted in practically a complete stoppage of labour. The usual varied items of cargo continued to arrive with an increase over April. The warehouse situation was again critical and complete cargoes of cotton were back-piled on the docks. Every effort was being made to obtain storage space away from the port areas and contracts were drawn up with the Italian Military Authorities to lease barracks not in use by the Army.

8. A total of 190,067 tons for Genoa and 151,865 tons for SAVONA were handled during the month.

9. Reinstallations and repair of telephone and telegraph facilities continued satisfactorily.

LOMBARDIA REGION.

10. On the eve of the national elections a complete calm was maintained all over LOMBARDIA, and no incidents whatsoever occured during the election-eering. The electoral campaign, mainly posters, was not so intense as that for communal elections. It was reported that the amount spent by the different parties for such propaganda was only half that spent for the elections in March and April. The delivery of electoral certificates took place satisfactorily. In MILAN a special office was opened for distribution of undelivered certificates. The average percentage of which throughout the whole Region was calculated from 3 to 5%.

11. The re-organization of the MILAN Questura proceeded quietly but satisfactorily. In all the provinces the auxiliaries were being systematically reduced. So far as the CC.RR. were concerned there was a decided improvement in the situation as regards clothing, weapons and transport. There was still however a great shortage of personnel. The morale of the CC.RR. was good but the poor rate of pay was causing dissatisfaction. The Guardia di Finanza functioned almost normally but were badly handicapped by a serious shortage of clothing, transport, arms and ammunition. In every province the CC.RR. showed both zeal and initiative in searching for hidden arms. Two big dumps were found in the mountainous region of SONDRIO. One was buried under 6 feet of earth and the other was underneath the cement bottom of an irrigation channel. Two other substantial deposits were found in the mountainous region of PAVIA. These were under the control of an auxiliary Agente di P.S. who was arrested. He stated that the deposits were formed under the express direction of two men who were local Communist party candidates in the national elections. In all, the CC.RR. made 47 raids and the items found include 90 machine guns, 79 sub-machine guns, 126 rifles, 754 grenades, 253 cases of ammunition, 3037 detonators, 2528 Kilos of explosive and numerous other such articles. The Agenti of P.S. made 15

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12. Food prices showed a certain decrease, mainly due to the seasonal production. 73,400 quintals of wheat were expected to be consigned in LOMBARDY to the harvest in the period before the new crop. A dispute regarding wages between the "Associazione Produttori Agricoli" and the "Federazione" seemed to be seriously affecting the coming rice harvest; this situation already caused some damage as the harvest is usually already commenced at this time of the season.

13. In order to help the critical financial situation still present in the heavy industries of NORTH ITALY, the Government granted a loan of 3 billion Li

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

to be divided among the most important plants of which: 550 million went to BREDA and 200 million to FIOTTA FIAT-CRIMM.

14. In MILAN Province a plan of public works was approved (civil buildings, roads, etc.) for an amount of 790 million lire. The Ministry of Post-War Relief granted an amount of 50 million to the Province of TORINO for the reconstruction of living houses burnt by the Nazi-fascists for reprisal.

15. Owing to lack of coal, 33 trains from and to MILAN had to be withdrawn during the Holidays.

PIEMONTE REGION.

16. The national elections in PIEMONTE, as in the rest of ITALY, spurred the politically minded to feverish activity. Meetings of all parties were held during the month and in most cases the speakers were heard with patience, if not always with enthusiasm. There was, however, a continual refusal to afford "free speech" to the Uomo Qualunque candidates and the clever Left wing device of identifying, in the public mind, this movement with Fascism prevented the party from making much propaganda. The abdication of Victor Emanuel caused a swing towards the Monarchy, and the visit of King Umberto II to TURIN during the month made a strong appeal to the sentiments of the loyalists. The last minute proclamation offering another referendum after the establishment of the Constituente was probably responsible for attracting many waverers from the Republic to the Monarchy. The situation in the border towns of BRIGA and TENDA, remained stationary, with the inhabitants a little tired of waiting for a decision as to their future status. The AOSTA Valley was quiet during the month and there was no repetition of the violence of two months ago, due doubtless to the energetic action taken by the CC.RR. at that time. Rumours of French claims on MONCENISIO caused a certain perturbation in the VAL DI SUSA and strong demonstrations of protest were staged in SUSA itself. There were no disorders and the situation was satisfactory. Despite the activity of the politically minded, the mass of the population appeared to be much more concerned with the cost of living and the immediate day-to-day problems than with politics. There were no signs of Neo-Fascist activities. Some concern was expressed over reports from PARIS as to the intentions of the Allies with regard to the Italian fleet and the Italian Colonies. Local Government functioned reasonably well and the lately elected local municipal officials appeared to be giving a good account of themselves.

17. The situation with regard to Public Safety continued to improve. There was a complete absence of political crime during the month and no disorders or demonstrations involving violence. There were a few isolated cases of highway robbery and police were taking energetic means to deal with these and other crimes. Public confidence in the police was much improved. A considerable improvement was effected in Carabinieri equipment but some groups were still badly in need of transport and uniforms. The morale of the CC.RR. maintained a steady improvement, but such could not be said of the Agents of Public Security whose morale was very low, the overall cause being the poor economic conditions under which they serve. Both regular and auxiliary police [illegible] greatly improved conditions before they can be relied on to

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

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18. The cost of living remained approximately the same with a slight decrease in the price of bread, pasta, flour and vegetables in the more agricultural provinces. The price of fruit remained very high and was the cause of much unfavourable comment. Rationed bread was said to be of very poor quality, but despite regulations and restrictions, white bread could be freely bought and sold - especially in small towns. Heavy rains retarded the harvesting of hay, delayed the ripening of corn and grain and caused considerable damage to fruit. It is anticipated that the harvest will be about a month later than in normal years, this month having been the wettest May in many years. Chemical fertilizers were more plentiful but were said to have arrived too late. Some delay was caused in rice cultivation by wage disputes among the agriculturalists and the rice workers.

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

After prolonged discussions wage rates were settled and work proceeded. There was an increasing amount of unemployment. Industrialists complained bitterly of the continued demands of the workers for increased wages; the workers on the other hand stated that the increased wages were more than absorbed by the increased cost of living. A certain amount of goods were exported, notably wines and liqueurs, plastic utility goods and some cloth goods. The home market was, however, practically stationary and factories and shops remained full of manufactured articles awaiting purchasers.

19. Heavy rains were responsible for retarding public works, flooded rivers in some parts carrying away bridges and interfering with road movement. Cement was more easily available and enabled certain works to be carried out. Transportation and distribution of cement was one of the principal difficulties. In the name of UNRRA and S.H.A.E.F. at TURIN work commenced on rebuilding the bridge over the DORA Riparia River which will cost 10,770,000 lire. Work on bridges and other projects of a like nature proceeded slowly. The abundance of water relieved all anxiety in the hydro-electric installations which functioned at full speed.

20. The Displaced Persons Camp PT 17 at TURIN was taken over by UNRRA during the month.

21. No serious epidemics were reported during May in the Region but some anxiety was expressed by the authorities regarding the increasing incidence of diseases arising from malnutrition and particularly tuberculosis. This was noticeable in prisoners returning from GERMANY. These diseases however, were not confined to "Reduci" but were manifesting themselves in the Agents of Public Security, who had to be out in all weather, underfed and badly clothed.

22. Telegraph and telephone services continued to improve rapidly. There was considerable dissatisfaction voiced regarding the refusal of AMG to accede to the abolition of circulation permits for automobiles and the unrestricted use of motor fuels. There was still obviously much mis-use of petrol etc. and hundreds of vehicles circulated without permits, finding their petrol on the black market.

23. The pace of legal processes continued to be very slow, numbers of prisoners in the jails having been awaiting trial for six months. The shortage of judicial personnel was the cause of this.

VENETIA REGION

24. In the early part of May most newspapers and public attention was focused on the PARIS Peace Conference, with particular emphasis on the future disposition of the Italian Fleet. The situation in this area finally climaxed with the demonstration instigated by members of the Italian Royal Navy in St. Mark's square VENICE on 9 May 46 during a band ceremony staged by the British Navy in the presence of Lieut. Gen. Harding, Admiral Kinahan and other Allied Officials. The band ceremonies were admirably executed and completed in perfect order but immediately thereafter the demonstrators closed in on the reviewing [illegible] considerable [illegible] but no violence occurred. Each political party

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

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parties.

25. The crime situation throughout the Area was normal. Questure and CC.RR. made quite a number of good arrests in connection with armed robberies and the collection of arms. There was a considerable decrease in the number of cases of Military telephone lines being cut. Relations between the civilians and Allied Military were reasonably good with only a few isolated incidents being reported. The prisons were still crowded both with prisoners convicted as well as those awaiting trial. In VERONA 77% political prisoners were still being held awaiting trial. The difficulty lay in the courts not having adequate personnel to try the cases. Inadequate equipment for all civilian police agencies continued to create a problem. 1000 bush shirts dyed green were issued to auxiliary agents of the Public Safety Units in VERONA and PADOVA. The Mobile Battalion of Carabinieri stationed in PADOVA with the detachment of 200 stationed at TREVISO were well trained and armed. Recently, after many inquiries, they received ammunition for use in their armoured car weapons. They are under the control of the Legion Commander in PADOVA, but may not be utilized without orders from ROME.

26. Due to plenty of rain and warm weather all crops throughout the Region were good. The wheat crop was estimated to be near normal and was ripening so rapidly that most of the grain will be cut by the 15th of June. Fruits of all types were in abundance and growers were making every effort in cooperation with UNRRA to transport the crop to other sections of ITALY and even to AUSTRIA and GERMANY. The food situation during May was reasonably good with prices remaining approximately the same as those of April. It was estimated that visible wheat stocks would be exhausted in this Region by the 10th June and UNRRA is doubtful whether they could supply any additional grain or flour. Sugar rations were cut to 100 gr. most of which came from local sources. An additional shipment of sugar is due in from LEGHORN about June 10th. Oil and fat supplies continued scarce and were uncontrolled. The Regional Inspector of Mountaineers stated that no fats would be available for issue to the public during June. Total requirements of fats and oil for this region on the basis of 180 gr. per person would amount to 7000 qls. per month. However the "black market" will continue to supply oils and fats to those who can pay prices of 700 lire per Kg. Coal allotments were received and while the amount was far from sufficient yet there was enough coal on hand to meet allocations for the next thirty to sixty days. The general labour situation did not improve, there being 190,000 persons unemployed during April in the eight provinces of this Region as against 195,000 at the close of May. While extensive public works projects were approved there appeared to be considerable delay in getting under way with construction. There were a few scattered strikes and demonstrations for higher wages but generally the labour situation remained quiet. The silk industry anticipated a considerable increase in production this year due to the good weather and favourable growing conditions.

27. The Genio Civile of all provinces were active in submitting projects and a high percentage were approved in ROME but there continued to be a delay in actual construction, which seemed to be due to lack of materials in many cases. The construction of "popular houses" was getting well under way in most provinces. The majority of projects consist of road repair, bridges, hydraulic works, repairs to Public buildings, slum clearance and Port improve-

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

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28. The refugee camp at PORTA S. GIORGIO near VERONA had 468 refugees, mostly from VENEZIA GIULIA, GREECE and TUNISIA. The number was 47 less than last month. The D.P. situation is gradually diminishing in this Region. 5170

29. Public Health remained good. The T.B. situation has always presented quite a problem in this area and due to the destruction of many Sanatori there is a lack of adequate facilities to care for the patients. The UNRRA anti-malaria campaign was well under way and no great malarial problem is anticipated.

30. The Bridge over the PO at FERRARA was scheduled for completion on May 1st but due to defects in construction it will not be opened for traffic

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

until about the middle of June. The lack of direct Railway Service between VENICE and BOLOGNA seriously handicapped the transportation service of NORTH EAST ITALY. Military control was relinquished over the VERONA-BOLOGNA, and the PADOVA-PLACENZA Lines. Total tonnage moved by trucks continued to increase throughout the Region; Uffici Autotrasporti moved 215,977 tons and Truck Pools moved 6,611 tons. POL allocation was quite satisfactory. Inland water transportation moved 23,173 tons for industry and 2,664 tons of foodstuffs. Tonnage entering the port of VENICE showed a considerable decrease for May over the previous months. Coastwise schooners for BARI and ANCONA continued to increase their tonnage. A new telegraph line was completed between PADOVA and VENICE and another between VENICE and FERRARA. Telegraph service was re-established on 22 May between VENICE and TRIESTE. A total of 4 telegraph Offices were re-opened within the Region during the month, with 6 additional scheduled for re-opening in June, bringing the numbers practically up to the pre-war level. Seven long distance telephone circuits were added during the month, including three from VERONA to BOLZANO. Prior to the war the TELVE Company had 31 telephone exchanges and the TEMO 197 exchanges in operation in this area. TELVE is now back to normal with 31 exchanges and TEMO has 103 with 9 more to be opened in June.

33. The courts continued to be over burdened with cases and understaffed as personnel, all of which prevented the administration of speedy justice, accentuated the goals and created a general disrespect for law in the minds of the average citizen. The fault appeared to lie in the antiquated court system which badly needs modernization.

RETURN OF CAMPANIA-CAMPANIA AND NAPLES.

34. The big event of the month was the abdication of King Victor Emmanuel III on the 9th of May. He left NAPLES the same evening on the Italian cruiser DUCA DEGLI ABRUZZI for EGYPT. There were no demonstrations and city life was normal. The King's presence in NAPLES during the past year has given rise to no incidents. Political activity increased with the approach of the national elections. Numerous meetings were held by leaders and outstanding personalities of the various parties. The new King Umberto II visited NAPLES on the 19/20 and the Monarchists held meetings and a procession. Good order was maintained throughout except in one case on the 15th involving clashes between several parties, including Communists, and 2 small hand grenades were thrown which caused a panic resulting in injury to 30 persons. In the country districts there were also many meetings, with a few minor incidents but no disorders.

35. Public Safety conditions remained normal but cases of theft were very high. There were nine cases involving Allied personnel in clashes with civilians against eight the previous month. Apart from the clash in NAPLES between the various electioneering factions, the election campaign, though it produced much debating, was remarkably free from violence. CC.RR. Mobile Squads were active and worked well.

36. There was extensive rain during the month but no rust has been reported

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

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32. The courts continued to be over burdened with cases and understaffed [illegible] personnel, all of which prevented the administration of speedy justice, encouraged the goals and created a general disrespect for law in the minds of the average citizen. The fault appeared to lie in the antiquated court system which badly needs modernization.

REGION OF CAMPANIA-CAPITAL AND NAPLES.

33. The big event of the month was the abdication of King Victor Emmanuel III on the 9th of May. He left NAPLES the same evening on the Italian cruiser DUCA D'ORLEANS for EGYPT. There were no demonstrations and city life was normal. The King's presence in NAPLES during the past year has given rise to no incidents. Political activity increased with the approach of the national elections. Numerous meetings were held by leaders and outstanding personalities of the various parties. The new King Umberto II visited NAPLES on the 19/20 and the Monarchists held meetings and a procession. Good order was maintained throughout except in one case on the 15th involving clashes between several parties, including Communists, and 2 small hand grenades were thrown which caused a panic resulting in injury to 30 persons. In the country districts there were also many meetings, with a few minor incidents but no disorders.

34. Public Safety conditions remained normal but cases of theft were very high. There were nine cases involving Allied personnel in clashes with civilians against eight the previous month. Apart from the clash in NAPLES between the various electioneering factions, the election campaign, though it produced much debating, was remarkably free from violence. CC.RR. Mobile Squads were active and worked well.

35. There was extensive rain during the month but no rust has been reported in the wheat crop and prospects are good for the coming harvest. In NAPLES Province the official estimate for the wheat crop is 18 quintals to the hectare. Stocks of flour for CAMPANIA were reported to be low with only sufficient to maintain the rations for the first week in June. The position in CALABRIA was about the same.

36. Owing to redeployment of units, employment by Allied Forces decreased. Exclusive of the NAP, civilians employed by the Allies in the NAPLES Area amounted to approximately 40,000.

37. A strike of CIP workers took place and by the 15th May was nation wide. It ended on the 16th with an assurance of increased wages. There were other minor stoppages and a grain ship was delayed for a day as a result of a strike in a general warehouse against the dismissal of two workers.

37. Public Health remained good and winter epidemics of small-pox and measles subsided.

TOSCANA REGION.

38. With the exception of the political situation there were really no major changes noticeable in conditions, in TOSCANA, for May, from those reported in April. After a lull of some weeks, following the local administrative elections, political activities re-opened throughout TOSCANA on about the 15th of May. From the 15th of May to 1st of June every means of political propaganda and guile was used to influence the public, and to garner votes. The Region was literally covered with posters and leaflets; public meetings and parades were held. Every caffe and trattoria was the scene of political discussion and loudspeakers and sound trucks were plentiful. All of which made for an intensive, but nevertheless, informative campaign. Until Saturday evening, the first of June, the excitement and tension on the part of officials and party leaders, in particular, and of all the population, in general, was very noticeable, but there were no serious disorders.

39. A continued improvement in law enforcement was noted in TOSCANA. The local prisons were in a disgraceful condition. D.D.T. was badly needed for the vermin which in most cases were out of control.

40. Unemployment continued to be a pressing problem, but the situation was no worse during the month. Optimism prevailed regarding all crops, but there did exist some apprehension over the possibility of too much rain; fertilizer remained scarce. The maintenance of the cereal ration solely depends on the success of the ensuing campaign and on the extent of UNRRA imports. Other foodstuffs became more plentiful, but still were priced beyond the reach of those who need the extra food the most. Prices were definitely on a downward trend; even food prices lowered during the month. Progress in industrial and commercial rehabilitation was necessarily slow.

41. Public works continued to progress and headway was made in the clearing up of the Port harbors; the water supply was sufficient, except in LIVORNO and the electric supply improved during May.

42. In transportation and communications improvement was under way and results were noticeable.

43. Public Health was normal for this season of the year except that there was an increase of T.B. and V.D.

44. The courts functioned capably, but very slowly; Italian Tribunals officials, excepting Pretori, did not appear to work very hard or put in many hours.

EAST AND PUBLIC WORKS SECTION.

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

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

51/78

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PARTY AND PUBLIC OPINION REGION.

46. Great interest in the elections was shown by all Parties. There were no disturbances, although at TARANTO when Togliatti, the Minister for Justice and leader of the Communist Party made a speech, he was howled down by the [illegible] sailors and a few individuals engaged in an exchange of fisticuffs. Again, addressing a crowd at BARI later in the month Signor TOGLIATTI was able to give up owing to the noisy conduct of the populace. There was no disturbance other than this. On the 27th May DE GASPERI visited BARI and made a speech. The square in which he spoke was thronged by a very obviously pro-Monarchist crowd, who exhibited Monarchist Banners and slogans and welcomes to the Prime Minister. One party representing [illegible] a term which in early March last, the Communist Party aided by some of their exhibited pro-Monarchy placards. Throughout the elections there were no [illegible] and it undertaken given by all the party leaders who were called together by the Prefect of BARI, that there would be no disturbances, was honoured.

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

46. The Public Safety situation greatly improved and there was no trouble during the month. On two occasions a small crowd of Veterans assembled outside the Prefecture BARI demanding employment. The CC.RR. and Civil Police showed a steady increase in efficiency and turnout.

47. Harvesting began at the end of the month. The locusts which were reported in [illegible], BARI and FOGGIA Provinces at the beginning of the month were brought under control and no extensive damage was done. Fuel and lubricants were generally insufficient for agricultural needs but a good production of wheat and other cereals is expected, also of leguminous plants. Production of fodder was satisfactory. The condition of tobacco in LECCE Province was excellent and a good production of wine and olive oil is also expected.

48. Two ships with 53,24 tons of wheat arrived during the month. 100 grams of sugar and 200 grams of olive oil were distributed in May. No pasta was distributed; the price of pasta on the black market increased (250 lire per kilo at the end of May). An exhibition of wines and liquors manufactured in APULIA and BASILICATA Regions took place in BARI and created considerable public interest.

49. Further premises were requisitioned during May including 93 apartments and 8 W/Houses.

50. Public health was satisfactory in BARI Province and generally speaking the population in this area looked well fed and fit. 39 cases of smallpox were reported during the month.

51. Traffic both by rail and road was still on the increase and the railway organisation steadily increased in efficiency. Tyres were very scarce, this being the main reason why road transport could not progress to any appreciable extent.

52. The delays to cases under trial showed no improvement for the same reasons as before, a lack of magistrates at the Tribunals.

53. Cases of unemployment were still high. Every effort was being made by the Prefect to employ as many "reduci" and veterans as possible, but there continued to be a strong tendency on the part of these people to select their jobs and not to take what was offered.

54. 295 millions lire was granted for Public Works in BARI Province, 80 [illegible] for TARANTO. More and more road repair was to be seen throughout the area and an increase in general repair work was also in evidence.

55. No. 1 Transit Camp was handed over to UNRRA on the 15th May. During the first fortnight of May, 1035 persons arrived in the Camp and 920 left BARI.

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49. Further premises were derequisitioned during May including 95 apartments and 8 W/Houses.

50. Public Health was satisfactory in BARI Province and generally speaking the population in this area looked well fed and fit. 59 cases of smallpox were reported during the month.

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

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

ISLAND OF SICILY

56. Political excitement was increased in the last few days of the month by visits from GUARNERO, DE GASPERI and the King, all of whom had very good receptions. TOGLIATTI on the other hand was whistled at almost continuously at PALERMO. Chief interest appeared to be in the institutional question rather than the party situation, for the Sicilians have a strong leaning towards the Monarchy and were trying to poll every monarchist vote possible in order to counter-balance northern republican votes. On the party issue the strongest parties were the Democratic Christians (Easy First), followed by the UDN, Sicilian Independence, Uomo Qualunque and Socialists. Electioneering was more bitter in the PALERMO area than in the east of the Island and there were a few minor clashes without, however, grave consequences. Great anxiety was felt by the authorities in PALERMO for the days immediately following the announcement of the result of the referendum and the usual rumours of insurrections and violence all without proof were rife. The distribution of election certificates varied considerably; in RAGUSA and CALTANISSETTA Provinces over 90% were distributed whereas in PALERMO the distribution was less than 90%; the PALERMO authorities blamed this on deaths, removals etc.

57. Public Safety conditions varied a great deal. In CATANIA, RAGUSA and SIRACUSA there was little serious crime and no banditry was reported; in PALERMO and TRAPANI banditry flourished; in AGRIGENTO and CALTANISSETTA there were a lot of crimes in the sulphur mine areas, and also banditry; in MESSINA the general state was good but there were still a few small bands of brigands in the hills. The police everywhere were grossly overworked and cannot be blamed for the prevalence of crime. Firstly the police have had to work very long hours, with very few men in reserve to control political meetings, processions and elections for several months, and have not been able to concentrate forces against the bandits; secondly the food ration of 200 grams of bread is insufficient for SICILY, where the diet of the people does not include meat, fish, rice, butter, polenta etc., as in the North, and in fact forces many men to crime in order to obtain sufficient money to feed their children on the black market. The police will be further handicapped in the new drive against banditry by the fact that they are just starting the annual season for wheat.

58. Agricultural prospects were uniformly good, though the wheat crop was about ten days later than usual. Estimates on the wheat crop varied enormously. The acreage sown was down but the best land has been chosen. Estimates varied from 7 million to 5 million quintals (the latter a more reasonable figure based on acreage - an average production of eight quintals per hectare). Grasshoppers threatened the crop in CATANIA but thanks to help from UNRRA the danger appeared to have been averted.

59 The situation in the sulphur industry was not good. The production is on primitive lines and if the owners pay reasonable wages they cannot hope to compete in the world market with others. This industry was in need of capital and modernisation in technique; it has the advantage of producing very high quality sulphur close to Europe. The workers were dissatisfied with the present wages and food scales, and the position gave continual anxiety to the Public Safety authorities. Cotton prospects were slightly improved by a rise in prices, and there was optimism in AGRIGENTO. If the soap trade in MESSINA could reopen it would largely solve the province's unemployment problem; the [illegible] authorities have not allowed them to use the necessary fats. The cost

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

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5177

60. Progress was being made with proposals for new aqueducts. A great deal of work in this field remains to be done before SICILY can be anything except a poor Island.

61. Illegal emigration of Displaced Persons continued by night along the Eastern and Southern coasts.

62. Public Health remained remarkable good in view of the obvious under-nutrition of large sections of the population.

63. Transport and communications were not bad. The railways functioned well and were very good in distributi . quickly any wheat or other [UNRRA] supplies. There was a shortage of freight trucks, but for essential deliveries UNRRA gave valuable help. The telephone services were improvid.

POLITICAL SITUATION

64. Political activity during the month increased in intensity as the elections in which all classes took the greatest interest approached. As before, the meetings of Communists, Socialists and Republicans were the more numerous; such attempts as were made by other parties were frequently interrupted. During the only attempt of the Monarchists to hold an open air meeting, the speaker was shouted down and a Socialist leader who afterwards addressed those assembled stated that it was not undemocratic to prevent the Monarchists from speaking. A Monarchist meeting at [illegible] was also abandoned in similar circumstances. However, as far as the meetings were concerned, there were no violent incidents or serious disorder. A definite "war of nerves" was conducted during the month, and there were strong rumours, that the extremists were prepared to carry out a coup d'etat, if the referendum should be in favour of the Monarchy. Three incidents of an obviously political character were reported during the month; on 24 May at [illegible], two hand grenades were thrown into the premises of Italian Partisan Association; on 16 May at S. [illegible], [illegible] Province, five hand grenades were thrown through the windows of a house in which were the secretaries of the local Communist and Socialist Parties; on 31 May in [illegible], two bombs were thrown, one near the Camera del Lavoro and the other one at the entrance of the Case del Popolo. Some damage was done but no one was hurt. The abdication of King Victor Emmanuele was expected and caused little comment beyond the fact that it was considered to be well timed. Some disappointment was expressed at the lack of progress towards a Peace Treaty with Italy. Provincial administration continued to be fairly satisfactory. The financial position of the Communes continued to be bad.

65. The month showed little change in the Public Safety situation. While there was a reduction in the number of armed robberies, holds-up, extortions etc., the number of murders for both political and non-political reasons increased, in fact, it was the highest since November 1945. There were 17 murders, woundings and attempts for political reasons, 11 murders, woundings and attempts for non-political reasons, and 69 armed robberies and attempts. The work of the C.C.R. remained during the month. There was nothing fresh to report about the Questure and other police agencies. The Questure remained as inefficient and unreliable as ever; Questori were all faced with the same difficulties, untrained personnel, unreliable ex-partisan elements, and the "go slow" policy of most regular officials and agents who were all to a greater or lesser degree comprised during the Fascist/Fascist Republican period. The Questure appeared to be as corrupt as they were under Fascism and much less efficient. During the month there was complete absence of escapes from the prisons in the Region.

66. The grain situation in the Region did not improve during the month, but the bread ration was maintained. There was no distribution of paste rations in some Provinces. The requisitioning programme yielded some 35,000 quintali of grain up to the end of May. This was not considered to be satisfactory by the

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

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

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some damage to crops caused by strong winds and hail storms. A very good grain crop is expected, provided the weather remains good until the harvest.

67. There was an increase in the amount of money released for public works, and some progress was made. Delay was still occasioned however, by the lack of raw materials; a good deal of building was being carried out in the Provinces of [redacted] and [redacted]. Water and electricity supplies were satisfactory. The gas position remained the same as previously reported, due to shortage of coal.

68. There were 1,696 Displaced Persons on hand on 20 April and an intake during the month of 1,695; evacuations during the month totalled 2,752. Following a conference in [redacted] it was decided that all camps in this Region would become A.C. Before this decision was made, refugees were being moved about a good deal and a clash occurred in [redacted] between two different groups of people resulting in two deaths and bloodshed. Jews were moved to other camps in [redacted] and [redacted], and [redacted] camp is now empty. The health in all the camps was excellent, there was some whooping cough among children, and the prevalent diseases continued to be venereal and tuberculosis.

69. Generally, public health in the Region was good. Measles were prevalent in all Provinces and there was some whooping cough. Hospitals were getting supplies of medicines and no further complaints were received on that score.

70. In transport and communications the improvement already reported continued. Despite a shortage of [redacted], transportation appeared to be adequate.

71. Italian Courts operated as slowly and laboriously as ever. It was noted that as the elections approached there was a very definite slowing up in the fixing of trials of persons with definite political attachments. This applied particularly to the trials of Communist partisans for such offences as murders carried no Series etc. This appeared to have been the policy of the Procuratore Generale in [redacted] who has since been replaced.

[redacted]

72. On every Sunday during May the South Tyrol Party held meetings in various centres either demanding the annexation of the South Tyrol to Austria or protesting against the decision of the Big Four not to discuss their question. All meetings were orderly and the three speakers were usually Baron [redacted], Dr. F. [redacted], and Dr. W. [redacted]; the meetings were so arranged that the speakers could address each meeting in turn. The first shock came when the Austrian Government asked for a "slight modification" of their frontier to include the [redacted] Valley (Brunico Area) and [redacted] Valley (Brunico and Bressanone Area) in order to join the North and East Tyrol by rail. The S.T.V. replied at once by sending a telegram to PARIS protesting against the proposed frontier rectification and asking that representatives of their party might be heard to plead for the complete annexation of the South Tyrol to AUSTRIA. The dwindling hopes of the German speaking population were, however, revived by the speech of Field Marshal SMUTS and the support of their plea by the "TIMES". As CHURCHILL supported them in Parliament by suggesting a plebiscite, their fading hopes of annexation again revived. The report of the Option Commission to decide the laws of citizenship was sent by the Prefect to the Italian Government. The S.T.V. still remains outside the Autonomy Commission and the Prefect endeavoured to contact certain members of the [redacted]-Group without success. Signor DE [redacted] who has since been replaced the German speaking population for

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

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5176

73. Security throughout the Province was satisfactory. The CC.RR. worked well; there were only 21 members of the CC.RR. who could speak both Italian and German. Some 200 others were located serving in other parts of ITALY and are shortly to be transferred to this area. Recruiting was opened to the South Tyrolians and some 32 applied for enrolment. A certain number of South Tyrolians recently escaped from POW-Camp in TARANTO and reached their homes. On instruction from ROME they were being arrested and are now languishing in the local jails as transport was not available to send them to the Camp at [illegible] (Arezzo).

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

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

74. The recently concluded export agreements between ITALY, SWITZERLAND and AUSTRIA have not yet been carried out. Wine and harvest prospects for 1945 are excellent. The fruit crop in SWITZERLAND was expected to be abundant this year. This affects the possibility of exporting the fruit from SOUTH TYROL to SWITZERLAND and the Chamber of Commerce was trying to formulate plans for the exportation of wine and fruit to DENMARK and BRITAIN. The food situation in the Province was satisfactory. Fertilizers and insecticides were required, but on the whole the agriculture situation was above the average. There were 2,685 unemployed in the Province. Arrangements were being made to send hotel servants to SWITZERLAND and small groups of labourers were sent to the south for work in the rice fields.

75. General health was satisfactory except for V.D.

76. There were 1,131 D.P.'s in the Camp No. 19 (formerly No. 23) of whom 1,080 were Germans awaiting repatriation. The Camp Commandant received orders from AMGOT not to accept more D.P.'s.

77. Conditions in hydro-electric works were very satisfactory with an abundance of water. The industrial zone was handicapped for lack of raw materials and its output was only some 30%.

REGION OF ABRUZZI & LAZIO

78. During the month there was a progressive intensification of the electoral campaign which was conducted vigorously by all parties. Everywhere the Prefects, mainly owing to the collaboration willingly extended by all political leaders, succeeded in maintaining control of the situation avoiding serious friction and excesses, and no disturbances of public order of any importance was reported.

79. The state of law and order except in the Province of TERAMO where there continued to be frequent cases of highway robberies, showed a further improvement, due to the slow but steady process of reorganisation of the Police Forces.

80. There was a further slight increase in the cost of living. The order for the conferring to the "ammasi" of a further 5% of cereals was carried out with very fine results which were particularly gratifying in the Provinces of AQUILA (6,000 qls) and PESCARA (11,219 qls.) The bread ration was maintained at 200 grs. throughout the month, and all other rations, except sugar were distributed on the same reduced scale as last month. Shortage of coal continued to affect the recovery of industry while the unemployment situation slightly improved owing to the increase in agricultural work. In the Province of CHIETI the capture by YUGOSLAVIA of several Italian fishing-boats caused a serious contraction in the fishing industry.

81. Public Works proceeded satisfactorily within programmes, and public utilities were slowly recovering.

82. No appreciable change was noted as regards Displaced Persons; refugees were assisted in all centres and whenever possible repatriated.

83. Public Health was generally good. The measles epidemic in TERNI province decreased (305cases in the Province, 206 of which were in the city of

75. There were 1,151 D.P.'s in the Camp No. 19 (formerly No. 23) of whom 1,080 were Germans awaiting repatriation. The Camp Commandant received orders from AMGOT not to accept more D.P.'s.

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[illegible] & LAZIO

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81. Public Works proceeded satisfactorily within programmes, and public utilities were slowly recovering.

82. No appreciable change was noted as regards Displaced Persons; refugees were assisted in all centres and whenever possible repatriated.

83. Public Health was generally good. The measles epidemic in [illegible] Province decreased (505 cases in the Province, 206 of which were in the city of [illegible], were notified during the month). 72 cases of measles were reported also in the Province of [illegible] and a few cases in [illegible] Province.

[illegible] CITY AND PROVINCE

84. Considerable activity was noted throughout the area as the political campaign progressed. Some incidents were reported, the most serious being at [illegible] where a hand grenade was thrown by the Communists during a Monarchist meeting. A number of other incidents of interference by extreme leftists were also reported. Some traffic in electoral certificates was observed and several arrests made. Numerous demonstrations and public meetings were held during the month; the majority of these were of an orderly nature. Numerous articles appeared in the press and many complaints were voiced concerning non-receipt of electoral certificates and the distance of polling stations from residences of

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

voters. A special office was opened in ROME CITY to deal with these complaints.

85. The crime situation deteriorated slightly during the month due to the fact that a large percentage of the Police Forces was obliged to concentrate its activities on the electoral campaign to the exclusion of its normal duties. Black market activities continued to flourish and was insufficiently checked. Numerous street accidents indicated that the traffic control situation was far from satisfactory. The supervision of illicit buying and selling comes under the Municipal guards which in turn come under the Direction of ROME; this Corps (800 men) is inadequate and is being reorganized. The strength is expected to be increased to 2,500. A steady improvement was noted in conditions for Carabinieri and Finance Guards; their armaments were increased and considerable [illegible] and clothing were allocated during the month. Four Flying Squads were created and proved quite efficient in checking crime, but in the maintenance of public order during the electoral campaign their lack of training was evident in the tactless way they carried out their duties. On the whole however, Police organizations appeared to have done their best during this difficult period.

ANC UNDER PROVINCE.

86. Political activity was intense immediately prior to the Elections, and every form of propaganda was employed. With the exception of one or two very minor incidents, all meetings were conducted in a most orderly way. The very active and intelligent propaganda by the Democratic Christians, under the direction of the ex-Prefect, was responsible for the great apparent increase in the support of that Party. Intensive monarchist propaganda was noticeable in the past three weeks. A further appeal by the Sindaci of the MATESCHE Valley against annexation by YUGOSLAVIA was received, and any suggestion that a part of this Province should be ceded to the Slavs aroused the strongest resentment throughout the Province. Slav and Pro-Slav propaganda continued in connection with certain sections of the Communist Party. There was general disappointment at the failure of the Foreign Ministers to agree on the [illegible] question. Unemployment was responsible for some discontent in the Province, although the recent financing of some 200 million lire's worth of public works projects relieved the situation to some extent. After protracted negotiations with the Labour Section of the Allied Control Commission for [illegible], agreement was eventually reached and 600 Italian bricklayers and kindred tradesmen left for [illegible]. This had a marked effect throughout the Province, where it was hoped that it might be the beginning of emigration, on which the unemployed problem, (in this Province), hinges. Though the general political situation was calm, there was some uneasiness as to the outcome of the boundary problem.

87. The promised increase in the strength of the CC. R. was most welcome, but high cost of living and the low wages had a detrimental effect on this body. Clothing was still urgently required; military trucks assigned to the CC.RR. were being fully utilised and contributed considerably to the morale of this force. There was little change in the crime records for the month and of the few armed robberies some were believed to have been committed by criminals from outside the Province. The 1st of May celebrations were very quiet. Guardie di Finanza were reasonably efficient; they were however, in need of pistols and barrack equipment. In common with other public services, they complained about the difficult economic conditions. Conditions in Milan Goal were much improved, but the reduction in wages of auxiliary guards affected their morale. More career [illegible] were needed to replace these auxiliaries. The general public

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

were created and proved quite efficient in checking crime, but in the maintenance of public order during the electoral campaign their lack of training was evident in the tactless way they carried out their duties. On the whole however, Police organisations appeared to have done their best during this difficult period.

AND OTHER PROVINCES.

86. Political activity was intense immediately prior to the Elections, and every form of propaganda was employed. With the exception of one or two very minor incidents, all meetings were conducted in a most orderly way. The very active and intelligent propaganda by the Democratic Christians, under the direction of the ex-Prefect, was responsible for the great apparent increase in the support of that Party. Intensive communist propaganda was noticeable in the past three weeks. A further appeal by the Sindaci of the UPPER SOCA Valley against annexation by YUGOSLAVIA was received, and any suggestion that a part of this Province should be ceded to the Slavs created the strongest resentment throughout the Province. Slav and Pro-Slav propaganda continued in conjunction with certain sections of the Communist Party. There was general disappointment at the failure of the Foreign Ministers to agree on the Trieste question. Unemployment was responsible for some discontent in the Province, although the recent financing of some 200 million lire's worth of public works projects relieved the situation to some extent. After protracted negotiations with the Labour Section of the Allied Control Commission for AUSTRIA, agreement was eventually reached and 500 Italian bricklayers and kindred tradesmen left for AUSTRIA. This had a marked effect throughout the Province, where it was hoped that it might be the beginning of emigration, on which the unemployed problem, (in this Province). hinges. Though the general political situation was calm, there was some uneasiness as to the outcome of the Boundary problem.

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88. Regular distribution of all rationed foodstuffs continued; present stocks of flour on hand will enable the ration to be continued until 15 June, but the planned distribution of 500 grms of pasta for May was cancelled on instructions from AMMI. The free issue of 500 grms of sugar to residents of UDINE CITY up to 10 years old, given by ENGLAND, was gratefully received. Final results of the livestock census give a total of 192,396 head of cattle. Food prices generally were still high and did not show any tendency to fall. Essential commodities for both industry and commerce were satisfactory except for imported coal, tyres and fuel oil. The tyre situation was unsatisfactory and the coal shortage was acutely felt throughout the Province; only 3,300 tons out of a minimum requirement of 6,000 tons was received. Medical supplies, totalling approximately five million lire, were received. Postal employees were on strike between the 5th and 11th May. The Labour Attache of the British

5175

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

Embassy arrived shortly after and made recommendations to the Italian Government which so far has given no decision.

89. Heavy rains and further deliveries of fertilisers greatly improved agricultural prospects. Wheat cultivation in the Province showed a 20% increase on 1945, rice a 50% increase and barley a 33% increase. Sugar beets showed a 24% increase, while there was a decrease of 2% for potatoes and 7% for maize. Vines have not suffered by disease, and a good crop is foreseen. A total of 49 new cases of foot and mouth disease were reported, bringing the total number up to 95. In consequence, the export of livestock from the Province was forbidden without a veterinary certificate.

90. The cash position of the Bank of Italy for the month showed an increase of approximately three quarters of a million lire over last month, bringing the total of currency to over two and a half thousand million lire. The decline in the lire was very noticeable during the month, particularly against gold. Some eight million lire were authorised for communal expenses and approximately 4½ million lire was authorised for the second quarter to meet statal and parastatal budgets. Military road projects were financed to a total of 10,700,000 lire.

91. Public works projects totalling approximately 206,000,000 lire were prepared by the Genio Civile of the Province. Elaborate preparations for the resurfacing of military roads came to a standstill for the lack of bitumen of which approximately three thousand tons were required. This will have the effect of delaying work on the less important military roads until the promised shipment arrives.

92. During the month, a total of 2,322 refugees passed through the Centre, of which 703 were Albians, Greeks and Yugoslavs being in the majority. One half of the Displaced persons arrived from VENEZIA GIULIA, and the balance from AUSTRIA and GERMANY.

93. In a variety of ways, Welfare O Sic continued to give ample support throughout the Province, and was largely responsible for the provision of an ambulance for the [redacted] C.R. Hospital. The Ministry of Post-War Assistance provided some seven million lire towards the electric lighting scheme for the commune of the [redacted] Valley. No increase in the number of UNRRA rations for the poor and needy of the Province was authorised, though claims from many communes were received. The general health of the Province was good, but 178 cases of measles and 21 cases of diptheria were reported.

94. There was ample transportation in the Province to meet all ordinary requirements, except for the passenger-carrying vehicles, which were urgently required by statal and para-statal employees and professional classes. The POL allocation was insufficient to meet requirements and the tyre situation was still unsatisfactory; an increase in the monthly allocation is most necessary. A further five million lire was deposited in the AFA account by the sales of ex-enemy vehicle pumps.

95. The Italian Courts worked satisfactorily and the Special Session of the Court of Assize tried 18 cases and discussed 4, leaving 101 awaiting trial.

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

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

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91. Public works projects totalling approximately 200,000,000 lire were prepared by the Genio Civile of the Province. Elaborate preparations for the resurfacing of military roads came to a standstill for the lack of diffusion of which approximately three thousand tons were required. This will have the effect of delaying work on the less important military roads until the promised shipment arrives.

92. During the month, a total of 2,322 refugees passed through the Centre, of which 72% were aliens, Greeks and Yugoslavs being in the majority. One half of the displaced persons arrived from [illegible], and the balance from [illegible] and MIDDLE EAST.

93. In a variety of ways, Welfare Office continued to give ample support throughout the Province, and was largely responsible for the provision of an ambulance for the BELLUNO G.H. Hospital. The Ministry of Post-War Assistance provided some seven million lire towards the electrification scheme for the communes of the [illegible] Valley. An increase in the number of [illegible] rations for the poor and needy of the Province was authorised, though claims from many communes were received. The general health of the Province was good, but 178 cases of measles and 21 cases of diptheria were reported.

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ANGLO-PUBLIC OPINION

96. The failure of the PARIS conference to come to an agreement over VENEZIA GIULIA and the suggestion that the Powers may accept the French line as a solution caused the morale of the Italian population to sink. This was particularly noticeable in [illegible] where the energies of the trading peoples are bent more in the direction of getting material and property out, than attempting to increase industrial and commercial activity. The month opened with a large and well-organised pro-Yugoslav demonstration ostensibly to celebrate "Labour Day". The demonstration was hissed and spat upon by Italians and uniformed Partisans in the procession came in for much of the abuse. The Allied Military Parade on the 2nd May was a great success and all political parties for once agreed by instructing their followers to support the parade. After this the city settled down to a period of apparent calm although the discontent and apprehension on the part of the Italians was coupled with a marked resurgence of anti-Slav feeling. The

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

Next demonstration took place on 19 May; this was supposed to be a sports meeting but resulted in violent pro-Communist and pro-Yugoslav manifestations which however passed off without incident. The anniversary on 24 May of Italy's entry in World War I was celebrated by a Mass at the cathedral and the laying of wreaths on the War Memorial. The month closed quietly with political parties awaiting anxiously the re-opening of the PARIS Conference on June 15. During May two additional communes were subjected to General Order No. 11: [redacted] both in [redacted] area. [redacted] is the first totally Slav Commune in which it was possible to implement G.O. No. 11. [redacted] is inhabited by Italians and Slovenes in approximately equal numbers.

97. In spite of increased activity on the part of the rival Yugoslav and Italian factions during the May Day celebrations, from the Police standpoint May was a more fully quiet month. Advantage was taken of this 'breathing space' to improve efficiency and conditions in all branches of the force. The May Day celebrations constituted a 'heavy' period especially in [redacted] for the Civil Police, and police resources were extended to the utmost. Nevertheless, although several incidents occurred, the situation throughout was kept in hand and at no time was it necessary to request the military to assist in the restoration or maintenance of public order. During the last few months the Police Force has been thoroughly tested and has so gained the confidence of the higher command and the general public, that increased duties have been delegated to it. In view of this and the fact it must anticipate further public disorder resulting from the general uncertainty surrounding the Peace Conference, it is the intention to increase the force by 1950 bringing the total to 5000. Crime returns were low having regard to the general social conditions and to the population figure. Figures for May showed that a total of 249 crime complaints have been received by all branches throughout the area, and 169 arrests or denunciations made. The most serious crimes reported during the month involved the death of six persons - two of the deaths being the results of road accidents, the four remaining deaths appearing to be cases of murder. There was no notable increase in serious crime in the [redacted] Zone during the month although there was a slight increase in the number of reported cases of robbery accompanied by violence. There was a decrease in the number of political crimes reported but many of the reported crimes were still in this category. There was indication of an increase in the number of persons illegally carrying firearms. The uttering of forged Italian currency continued. In the [redacted] Zone crimes reported showed a decrease as compared with last month and there were no crimes of violence. Eight cases of burglary and many cases of simple larceny were successfully investigated. Apart from a few cases of drunkenness the conduct of troops was good; no case of serious misconduct in public came to notice. There was little change in the prison population; in [redacted] prisons there were 618 and in other prisons 377.

98. Normal rations were distributed to the whole population during May with the exception of pasta, which had to be cut due to the threatened failure of scheduled wheat flour shipments due to arrive. If possible deficiencies will be made up in June. Two steamers arrived during the month with miscellaneous foodstuffs and a steamer with approximately 8,000 tons of flour is due to arrive on 10 June of which 3,400 tons are for [redacted] and 4,600 tons are for [redacted] Province. Until further notice, owing to the wheat situation, pasta rations will be reduced.

99. Incoming shipping during the month totalled 23,930 tons and outward

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

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98. Normal rations were distributed to the whole population during May with the exception of pasta, which had to be cut due to the threatened failure of scheduled wheat flour shipments due to arrive. If possible deficiencies will be made up in June. Two steamers arrived during the month with miscellaneous foodstuffs and a steamer with approximately 8,000 tons of flour is due to arrive on 15 June of which 1,400 tons are for GORIZIA CIVIL and 4,600 tons are for TRIESTE Province. Until further notice, owing to the wheat situation, pasta rations will be reduced.

99. Incoming shipping during the month totalled 23,950 tons and outward shipping totalled 20,000 tons. Rail movement totalled 19,240 tons. The total tonnage moved during the month by sea, rail and road was 143,629. A few additional 1st and 3rd Class bus services and temporary summer services were authorized. Certain existing services were integrated and other concessions were granted where supply and demand justified the action. A new system was adopted whereby a more strict control can be placed upon the rationing of new tyres.

517

100. The 1946 grain collection programme was under way, with police assistance provided. Records were being taken of acreage planted by farmers. The price has been fixed at 3250 lire per quintal, with special premiums for early arrivals. The quota of wheat to be collected in the Territory is 20,000 quintals. Trials of civilians during the past season will take place before the 15 of June as a deterrent to this year's contraband operations. The Morgoln afforestation project was initiated and 40 men taken for the work. Although trees will not be

planted until autumn, fencing off, digging of holes, building of roads and walks, etc., will be carried out throughout the summer. More than 200 people are to be employed. Two projects, employing a total 15,000 persons were being projected to take care of reforestation between [illegible] and [illegible]. [illegible] Comune project was using several hundred people, but work will continue throughout the summer especially in the nurseries at [illegible] and [illegible], which are being developed and enlarged to take care of subsequent planting in [illegible] Territory in general, besides the [illegible] project. The personnel of the Forestry Corps was being increased due to the pressure of work and the increased number of projects. Production of fish continued to increase monthly with further increases expected till late September. Control measures designed to regulate the flow of fish to the population were suspended in autumn, as otherwise too many fish would be concentrated at central collecting points. Prices dropped and meat prices were lower too, as a result of competition from fish as a substitute. Fifteen tons of fish were being produced daily from combined ports in [illegible].

101. The extension of the debris clearance scheme to include industrial premises had a good moral effect. A plan in detail for the rehabilitation of six major industrial establishments in TRIESTE was completed. The acute defeatist tendency engendered in POLA by the strong impression which has gained ground that the "French line" will be accepted brought all industrial rehabilitation plans to an abrupt end. The wish of POLA industrialists appeared to be to leave as quickly as possible and remove as much as possible of their belongings. The position of individual industries showed little change during the month. Textiles and building materials showed the greatest activity and arrangements were completed for constructional timber to be imported in logs and dressed here. This will enable a large saw mill to reopen. The Cantenieri Riuniti dell'Adriatico, owners of MONFALCONE shipyards secured an order for a second 9000-tons cargo steamer from Norwegian owners, and negotiations for repairs to the "Almybank" continued with the M.C.T. The "Empire Lac Cabe" left during the month, the owner's representative and Captain expressing themselves well-satisfied with the quality of work put into the reconversion. Electricity and gas supplies were normal and care was exercised in screening demands for fuel and OIL on account of the current shortage. Rehabilitation of the port continued satisfactorily but constant supervision was necessary on account of the large volume of work on hand, to keep the Magazzini Generali and Contractors up to scratch. The destroyer "Sebenico" was floated and, but for the collapse of a large patch, salvage would have been completed by the end of the month.

102. The first lot of cloth to be produced from Imported Cotton (200,000 m - value about lire 36,000,000) was on sale. The stock of finished cloth was about 300,000 metres. The planned quantity is about 2,200,000 metres. Owing to the coal strike in the United States no shipment of coal was received in May and the position regarding imported stocks was very serious. Against coal allocations accepted for delivery during the first 6 months of 1946, 58,000 tons were received, the allocation being 119,400 tons. The balance of imported coal in stock (as of 1 June) was 534 tons, of which 293 was allocated to [illegible] Area. The requirements of GORIZIA and POLA for the month of June have been secured.

103. The repair of public buildings was well in hand; practically all those which were slightly damaged have been or are under repair and work was commencing on those which have been heavily damaged. The repair of private housing pro-

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

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

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102. The first lot of cloth to be produced from Imported Cotton (200,000 m - value about lire 36,000,000) was on sale. The stock of finished cloth was about 300,000 metres. The planned quantity is about 2,200,000 metres. Owing to the coal strike in the United States no shipment of coal was received in May and the position regarding imported stocks was very serious. Against coal allocations accepted for delivery during the first 6 months of 1946, 68,064 tons were received, the allocation being 119,400 tons. The balance of imported coal in stock (as of 1 June) was 934 tons, of which 294 was allocated to TRIESTE Area. The requirements of GORIZIA and UDINE for the month of June have been secured.

103. The repair of public buildings was well in hand; practically all those which were slightly damaged have been or are under repair and work was commencing on those which have been heavily damaged. The repair of private housing progressed very satisfactorily. Normal work was at its summer peak with over 3,000 men employed in repairing roads and bridges. During the month negotiations were completed with the Italian Government for the building, subject to A.F.H.Q. approval, of the TRIESTE-AUSTRIA autostrada. The Italian Government agreed to complete its portion of this road in four years starting during the coming summer. Repairs were in progress at PORTO BUSO, GRADO, UDINE, MONFALCONE, SCHIAVA and POLA. These ports although not playing a big part in international trade, are essential for local coastal shipping. The benifion work was being pushed in all areas; when projects are completed they will provide sufficient farm produce to make VENEZIA GIULIA independent of outside sources. The Navy turned over to A.M.G. the disposal of dues off shore, and around the docks; to do this work the Navy released their civilian crews to A.M.G.

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

104. The Economic situation deteriorated considerably owing to uncertainty as to future status of the territory. Strenuous efforts to institute large scale and long term public works projects, and to rehabilitate industry became necessary to avert complete economic paralysis. Efforts were made during the month to work out schemes for improving the situation and a requisition was prepared for the rehabilitation of the half dozen main industries in the territory, namely ILVA Steel Works, [illegible], AQUILA Oil Refinery, [illegible], S.I.A.P. Oil Refinery, [illegible], CANTENI Oil Seed Pressing, [illegible], [illegible] Oil Seed Pressing, MONTECATINI, SOLVAY Chemical Works, [illegible]. The largest industry in the territory, CANTIERE RIUNITI DELL'ADRIATICO was not included, as orders for new ship construction and reconversion came from overseas and arrangements for the supply of necessary material from abroad are part of the contract negotiations. Prospects of obtaining repair work from [illegible] for the shipyards of [illegible] were not very hopeful, though there was a possibility of some orders for new ship construction being obtained. A contract for the building of two ships for Norwegian owners was obtained with the assistance of the Italian Government. A number of Compensation Deals took place with countries with whom ITALY had Trade Agreements. The [illegible] Cotton Mill is in a position to work to its full capacity on the basis of its normal Commercial contacts though A.M.G. is maintaining control over its exports. A contract is in process of preparation whereby it is contemplated that the mill will weave, cloth for the United States Government for use in the [illegible].

105. The incidence of sickness continued to be high especially in [illegible]. Work will soon commence on the extension of the GIANNINA children's hospital and when completed this will double the present number of beds. A further 20 tons of drugs and dressings arrived during the month and a price-control committee to standardise prices and sales was set up.

106. Movement of Displaced Persons into Zone "A" of VENEZIA GIULIA continued; a total of 1,862 DP's arrived and 1,909 departed. Work by the British Red Cross representative among refugee and local inhabitants continued. 200 tubercular children from war-damaged districts of YUGOSLAVIA were taken to [illegible] by the British Red Cross representative. Two more attempts at illegal entry by Jewish refugees were made during the month. The first party of 18 was arrested by Security, the second party of 20 was turned back at the frontier. During the month one party of 51 Italian POW's arrived in TRIESTE from YUGOSLAVIA. Their physical state as well as their clothing was deplorable.

107. Total credits issued since A.M.G. took over the administration of this territory represented about 12,000,000,000 Lire, one third of which represents expenditure on public works. The next major item was 900,000,000 Lire paid for occupation expenses. Allied owned properties under formal control amounted to 379 whilst 93 were released. 12 German properties were sequestered. The lack of security in the free port continued owing to the shortage of Finance Guards and recent reports indicated that drastic steps must be taken without delay.

108. During May a total of 450 accused were tried on 906 charges in Summary Courts. These figures were higher than normal due to a special effort during May to bring the Court calendars, particularly in the area of

negotiations. Prospects of obtaining repair work from BRITISH for the shipyards of TRIESTE were not very hopeful, though there was a possibility of some orders for new ship construction being obtained. A contract for the building of two ships for Norwegian owners was obtained with the assistance of the Italian Government. A number of Compensation Deals took place with countries with whom ITALY had Trade Agreements. The COTTON Mill is in a position to work to its full capacity on the basis of its normal Commercial contacts, though A.M.G. is maintaining control over its exports. A contract is in process of preparation whereby it is contemplated that the mill will weave, cloth for the United States Government for use in the FAR EAST.

105. The incidence of measles continued to be high especially in GORIZIA. Work will soon commence on the extension of the GIROLAMO childrens' hospital and when completed this will double the present number of beds. A further 20 tons of drugs and dressings arrived during the month and a price-control committee to standardize prices and sales was set up.

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108. During May a total of 450 accused were tried on 505 charges in Summary Courts. These figures were higher than normal due to a special effort during May to bring the Court calendars, particularly in the Zone of TRIESTE, up to date; this was accomplished by holding extra Summary and Superior Courts. During May a total of 86 accused were tried on 115 charges in Superior Courts again due to the special effort to make Court calendars current. The ordinary Civil Courts functioned satisfactorily. Some progress was made during the month towards applying additional personnel particularly in the offices of the clerks of the Courts. The order giving jurisdiction to the ordinary Penal Courts to try fascist offences prior to 8 September 1943 was signed on 3rd May 1946 (General Order No. 53) and is now in effect. During May the Special Court of Assise held public trials of 27 accused resulting in 7 convictions and 20 acquittals.

109. The Labour Office had a very intensive month particularly in view of the many difficulties which "The Sindacati Unici" have been creating. The "Ispettorato del Lavoro", which calls for complete reform conducted its usual

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

5173

business doing no more than what is a bare minimum. Unemployment increased; records for VENEZIA GIULIA as a whole showed an increase of 3325. In TRIESTE area alone there was an increase of 2042. Dismissals during May in conformity with G.O. 106 amounted to 3738. The Public Works payroll showed a slight decrease in employment, as compared to April. There was only one occasion on which work was suspended during May and that was in the Shipyards of MONFALCONE where the clerical workers abstained from their work on the afternoon of Saturday 25th in order to protest against the fact that the reduction of time table from 48 to 40 hours was not made to apply in the case of clerical employees. The system of addressing workers on the factory premises still continued and the Sindacati Unici staged five important meetings during May. The difficult of fixing "piece work" rates in the C.R.D.E. still continued in view of the intractable attitude of "Sindacati Unici" which refused to allow the "Camera del Lavoro" to enter in the joint negotiation while at the same time insisting that the Management and incidentally A.M.G. were to blame for the impasse. The attitude of the "Sindacati Unici" mentioned above is merely a preview of a continued policy of sabotage calculated to precipitate conditions of industrial unrest. In view of this line of action, the advisability of promulgating legislation to regulate Trade Union affairs in general, and joint negotiations in particular, now becomes a necessity, unless A.M.G. is prepared to accept a situation in which a virtual monopoly is tacitly granted to the "Sindacati Unici" to the exclusion of the "Camera del Lavoro".

110. Italian schools under the administration of A.M.G. will close the 1945-46 school year in June, the Slovene schools in July. The School Section of PWB through its mouthpiece "[illegible]" continued in a rather mild way to attack education policy in this Territory. Schools will not be recognized where the teachers are not employed legally, where schools have refused to use AMG text books, insist on using forbidden texts, and are not following the Allied Military Government programme of study; students completing their work in non-recognized schools will be authorised to enter recognized schools only upon examination as in the case of any students from private schools. The complete issue of Slovene elementary school text books (those so far completed) has been subsidized and they will be distributed free to the school children of the Territory.

111. Wire thefts continued in the vicinity of OPICINA, and now in the MUGGIA area. On 20 May the Civil Telegraph Service was opened up to the Services for British personnel at concession rates for U.K. and the British Empire. Telegraph services were opened during the month to VIENNA and MILAN and [illegible] Stock Exchange.

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

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

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

PART II

CIVIL AFFAIRS SECTION

LOCAL GOVERNMENT SUB-COMMISSION

1. The Decree prescribing the procedure for voting upon the Institutional Referendum was published on 3 May. The Referendum ballots and those for the election of Deputies to the Constituent Assembly will be delivered to the electors simultaneously. The Referendum ballot contained a symbol for the Monarchy consist of the arms of the House of Savoy and a symbol for the Republic consisting of a female head wearing laurel crown. The voter makes a mark against the symbol of hi choice. The Decree made a detailed provision for integrating the voting and count of the votes for the Referendum with the corresponding procedure for the election Deputies to the Constituent Assembly. The period of voting was extended to 1200 h on Monday 3 June to allow adequate time for dealing with the two ballots. The lis of candidates nominated in the 31 election districts or colleges published late in the month showed 4,736 nominations for 573 seats: leading men have however been nominated in 2 or sometimes 3 districts. The number of competing parties varied f 2 in the VAL D'AOSTA up to 23 in the NAPLES-CASERTA district and 27 in the distri of ROME-FROSINONE-LATINA-VITERBO.

2. On 21 May a directive was issued to all Allied Commission Liaison Officers to their conduct in observing the elections on 2 and 3 June. As in the case of th local elections, Liaison Officers were instructed to behave as inconspicuously as possible and not to enter polling stations or places where votes were counted.

3. The few communes outstanding all completed their lists by mid-May. A number of special difficulties were investigated and reported upon, including (a) Sectio lists in Rome. Owing to the fact that numbers of electors were assigned to sectio distant from their homes, the Italian Government granted additional time for applications to be made for transfer and opened a special office for the purpose. (b) Registration of troops. It transpired that large numbers of troops had been i service so long that their original registrations had disappeared and they could n vote. The Italian Government arranged for such cases to be registered in the comm where the men concerned were stationed.

4. The last day for the delivery to the electors of their certificates of registration was 2 May. Shortly thereafter it appeared that large numbers of certificates remained undelivered, especially in the city of ROME. Investigation showed that this was partly due to inherent practical difficulties and partly due to inaccurate work by junior officials. In all communes however electors could apply personally for certificates up to and including 3 June. Instructions were therefore issued to Liaison Officers to report from time to time information as to electoral certificates remaining undistributed in their areas. Arrangements were also made with the Ministry of Interior to obtain similar information from their Inspectors General. The information as obtained showed that by the end of the month the certificates remaining undelivered was in the overwhelming majority of provinces less than 5% of the number entitled to receive them - a satisfactory figure.

LEGAL SUB-COMMISSION

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

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LEGAL SUB-COMMISSION

5. Allied Military Courts were in session in VENEZIA GIULIA and UDINE Provin Superior and Summary Courts were held during May in both VENEZIA GIULIA and UDINE. In VENEZIA GIULIA, a total of 86 accused were tried on 115 charges in Superior Courts and 450 accused were tried on 505 charges in Summary Courts during May. These figures were higher than the normal monthly totals but they are due to a special effort to bring the Court calendars, particularly in the Area of TRIESTE, up to date. This was accomplished by holding extra sessions of Superior and Summary Courts. As a result the number of cases pending took a noticeable drop; in the case of TRIESTE area from 330 Summary Court cases at the end of April to at the end of May. Of those pending Summary Court cases, only 4 accused were det pending trial. The Italian Courts worked satisfactorily in UDINE Province and 16 cases were tried by the Special Court of Assise during May, of which 4 cases resul in disposal. In VENEZIA GIULIA the ordinary Civil Courts functioned with reason satisfaction. Some progress was made during May toward supplying additional perso particularly in the offices of the Clerks of the Courts. In [illegible] the Italian Courts worked satisfactorily. LIVORNO reports excellent cooperation by Italian Courts concerning Allied interest cases. During the past month the

5172

Tribunals of LIVORNO disposed of 20 penal cases involving 50 defendants, 11 of whom were acquitted. PISA Province also reported active prosecution of Allied interest cases. The number of inmates of the jail in LIVORNO decreased. The number detained being 334, of which 295 are males and 39 females. The number of serious crime in the entire TOSCANA region is constantly decreasing.

PUBLIC HEALTH SUB-COMMISSION

6. The situation in ITALY as regards communicable diseases remained satisfactory. Small-pox and poliomyelitis were again, as in the previous month, the only two infectious diseases requiring notification. There were 65 cases of small-pox in May, all of them occurring in SOUTHERN ITALY. The highest incidence took place in the Province of BARI, which registered 37 cases as against 39 in April. Practical all cases of poliomyelitis have occurred in NORTHERN ITALY. 81 cases were reported in May, as against 40 in April, but there were localised outbreaks worthy of note. The provinces of MILAN, VENICE and BERGAMO registered the highest number of cases, the figures being 10, 10 and 9 respectively. Vital statistics for the month of April are as follows. Population of ROME Commune 1,5[illegible],274. Total number of births 2,587. Deaths 1,267. Deaths in children under one year of age 186, which gives an infant mortality rate of 72.3 as against 66.9 in March and 84.8 in February. In the same Commune deaths from all forms of tuberculosis during April were 202 compared to 185 in March. Out of this figure, 159 deaths were due to pulmonary tuberculosis.

PUBLIC SAFETY SUB-COMMISSION

7. Apart from Election and Referendum fever by the various political parties, the month of May was very quiet. Although numerous meetings and demonstrations were held, no serious incident occurred. As previously reported, the condition of the Police Forces continued to improve and the CC.RR. are now becoming an efficient Force. The Pubblica Sicurezza also showed signs of improvement. The prison situation remained unsatisfactory but efforts were being made by the Italian authorities to regularise the position of the Guards and improve the condition of the prisons. The serious outbreak in the MILAN Prison during the latter part of April undoubtedly caused the authorities to appreciate the urgency of the situation.

DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION

8. During the period under review UNRRA took over the Camp Group in North-West ITALY viz: MILAN, TURIN, and GENOA. The hand-over to UNRRA of Displaced Persons Camps is now completed. The final result of the screening, which was carried out with the purpose of determining the eligibility to UNRRA assistance of all Camp inmates showed a total of 9,922 ineligibles plus 7,000 Poles. It was anticipated that this figure would continue to increase due to the fact that many persons were being refused camp care by UNRRA and would therefore apply for admittance into Displaced Persons Camps. In view of the fact that practically the whole of the population of certain Camps turned out to be ineligible for UNRRA assistance, it was decided that D.P.R.S.C. should take back the responsibility and administration of such Camps. At the end of the month D.P.R.S.C. had 15 Camps under control. A new policy was drawn up in conjunction with UNRRA with regard to the nationality designations of the Camps. This policy will govern the re-shuffling of the population between UNRRA and D.P.R.S.C. Camps. A new Camp was set up at BACNOLI n NAPLES mainly for the purpose of accomodating Displaced Persons from MODENA Camp which was required for Italian Army purposes. This new Camp was also to provide [illegible] who would be found to be

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

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

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

PART III - ECONOMIC SECTION

FOOD AND AGRICULTURE BRANCH

1. The cereal situation deteriorated further in May. Total stocks, including working stocks as well as stocks in port warehouses, as of 1st of May were 146,000 tons or about 10 days supply. By the 31st of May it was estimated that stocks would amount to only about 90,000 tons or about 6 days supply. It was believed that outturns would be higher than those quoted because the distribution of the full ration was not made in May. The reduction in the cereal stocks arose from the fact that arrivals from abroad - 154,000 tons - plus domestic were far below the consumption of the country. Because arrivals during the first half of June were expected to be poor too because the new harvest will not become an important source of grain until the latter end of June, an extremely grave situation was expected to arise in the middle of June. Stocks became so low that on May 26th UNRRA approached the Allied Commission with a view to acquiring a loan from Allied Military stocks of up to 30,000 tons of flour to be repaid in 30 days. The matter was referred to AFHQ who were unable to agree. Although no official cut was made in the rations, the Italian Government decided to postpone the May ration issue of 300 grammes. However a number of cities, including ROME, issued the ration in defiance of the Government's policy. In instituting the emergency spending programme which was developed to meet the serious cereal situation, the Italian Government reduced the goal from 150,000 tons recommended by CCAO to 90,360 tons. However, on the 31st of May only 33,365 tons of cereals(excluding rice) or 36.9 % of the goal had been secured under the emergency programme. The emergency spending decree was so written as to require delivery of cereals by 31st of May. However, it is expected that receipts will continue into June. There are a number of reasons for the failure to reach the goal set in the emergency spending programme. Although the decree required producers to surrender only 6% of their annual retentions of 2 and 1.5 qls., the decree came late in the crop year and the 6% reduction in retention amounted to perhaps 25 or 30% of the retention remaining unharvested. Moreover, the reduction in the retention (equivalent to a cut in the producer's ration) came at a time when agricultural life in Germany and the workers are hungry. Another reason for the failure of the emergency spending measure was the fact that although it almost tripled the official price paid for grain it still left the official price at 1/3 of the black market price. The local enforcement of the decree was perhaps handicapped as well by the fact that the Central Government decree was not published until the 26th of May, the provinces having instituted the emergency measure in provincial decrees based on telegraphic instructions from the Ministry of Agriculture.

2. It was reported previously that the country had large stocks of powdered milk, dehydrated soup and dried eggs. The Italian Government recommended to UNRRA the use of 5,000 tons of powdered milk by mixing it with flour for distributing at the rate of 4-5%. The proposal was still under study by UNRRA at the end of May. The Italian Government likewise intended to make a special distribution of 500 grs. dehydrated soup per month in PIEDMONT, LIGURIA and VENETIA Departments. To encourage the consumption of dried eggs the Government reduced the price at the warehouse from 520 lire to 400 lire per Kg.

3. There was a great shortage of dried vegetables in Italy, practically all stocks having been exhausted in May. Due to such shortage the May ration [illegible] were not cut in all cases. The Italian

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

5. Arrangements were successfully concluded with the Italian Government for the payment in kind to the British Army of outstanding debts as of 31st March (except flour) incurred through Midshift Meals and Displaced Persons issues. The grain shortage prevented the Italian Government from repaying the flour debt.

6. There were sufficient cereals in VENEZIA GIULIA and UDINE to last until the middle of June. A shipment of 5,000 tons of flour was promised to arrive 15 June and will carry the above areas for an additional month. Because of the world cereal shortage, the pasta ration in VENEZIA GIULIA was reduced to 500 grs. monthly, putting it on the same basis as UDINE and Italian Government territory. To maintain the usual differentiation in POLA, necessitated by its economic isolation, it was recommended to AMG (5) Corps that the meal ration be reduced from the former 2,500 grs. to 1000 grs. The reduction in VENEZIA GIULIA pasta ration was effective in July. In July VENEZIA GIULIA distributed all of its rations, although the 500 grs. of pasta distribution was not completed until June. Sugar was distributed at 200 grs. instead of the reduced basis of 100 grs. adopted in the rest of ITALY. UDINE distributed all supplementary rations and rations to Special Classes. A free issue of 250 grs. of sugar, donated by IRELAND, was also distributed to children 6-18 years in UDINE city.

AGRICULTURAL SECTION.

7. The rains which broke the long drought during the last few days of April, continued throughout the month of May, benefitting greatly cereals, pastures and gardens but interfering somewhat with the harvest of the first cutting of hay. Only at NAPLES did recent reports indicate that it was still "seriously dry". On the other hand "excessive moisture" which caused some damage to crops and interfered seriously with field work, was reported from UDINE AMG. On the whole, both rainfall and temperatures were unusually favorable for May, a month which in Italy is frequently too hot and dry. Stimulated by abundant moisture and favorable temperatures, the condition of practically all agricultural crops registered notable gains during May. As a result recent estimates of the 1945 harvest made by the Istituto Centrale di Statistica, were also for production, larger than the original forecasts made in January.

8. Reports of new infestations of grasshoppers were received almost daily during May. Although most of the new outbreaks involved relatively small areas of pasture and hay lands, they were very properly regarded by local authorities as the threat of devastating hordes that would cause serious damage to agricultural crops; hence many requests were received by the Minister of Agriculture for material and equipment with which to combat the menace. Up to 27 May, infestations were reported in sections of SARDINIA (230 of the 261 communes), SICILY (all 9), PUGLIE, MARCHE, ABRUZZI, LAZIO, UMBRIA. In SARDINIA the infestation was reported to be the most serious encountered in 50 years. Fortunately much of the wheat was too mature to be completely destroyed although the destruction of its leaves will reduce the yield to by some sixty 70% of that which was expected a month ago. A vigilant effort was being made in areas where the infestations were most severe to save the crop, but the shortage of poisons and hand dusting made effective control virtually impossible. The frequent rains were of inestimable help in mitigating the damage since moisture favors both growth of pastures on the hoppers and the growth of grass and weeds which the insects prefer to most agricultural crops.

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

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

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9. Hail damage was experienced in scattered areas of the PO Valley during the first half of May; there was also a prevalence of a fungus [illegible] in each of the areas of the [illegible] in SARDINIA. Early [illegible] caused some damage to farm fields in SOUTHERN ITALY. However all of these unfavorable factors, in addition to the [illegible] are not to be compared in importance to the severe drought which blasted crop prospects a year ago.

10. New potatoes were available throughout the country at prices but little more than half those prevailing at planting time. Both yields and quality were very [illegible]. Potatoes were being harvested in SICILY and were available in ROME but at prices too high for general use. Old

Declassified E.O. 12356 Section 3.3/NND 785016

season for fava, peas and artichokes was considerably extended by the cool moist weather. Green beans were in large supply and of exceptionally good quality.

11. The wheat harvest of Sicily will be approximately 15 days later than usual this year, because of the late planting brought about by insufficient moisture last autumn. The new harvest will start in M.PALI and PADUA where cutting is expected to be in full swing by 10 June. Reports indicated that harvest operations will be started in practically all provinces by 15 June; hence, new wheat should be available everywhere early in July.

12. The 99 fiat tractors and 97 additional boxes of spare parts remaining in Requisition No. 201 were unloaded in GENOA about 1 May. These tractors and 664 machines received in February were finally delivered to farmers, after a delay of nearly three months, during which the Italian officials were deciding what counties and at what prices machines should be sold. Supplies of fertilizer against AA II and IT requisitions were received during the month and the manufacture of domestically produced fertilizers was getting a rapid recovery and give promise of being able to attain from 60 to 70 % of their pre-war production during the year beginning July 1 1946.

13. The emergency harvesting decree directing the delivery of not less than 6 per cent of all cultivated with holdings of cereals brought in 55,685 tons of grain (excluding rice) during May or 49 per cent of the established goal. Plans and prices for assuring the wheat of 1946 harvest were announced. Prices including substantial increases for early deliveries, were approximately 2½ times those prevailing in 1945 and coupled with a harvest estimated at 40% larger should ensure deliveries very much greater than those a year ago.

14. An inspection was made during May of forestry equipment imported in 1945 under AA requisition and still in warehouses in the NAPLES area. It was found that the principal items on hand were saws, crosscut saws, files for sharpening saws and web belting. Although distribution was much slower than was anticipated, it was the opinion of the Consorzio Nazionale Approvvigionamento Industrie del Legno, that they will be absorbed by the timber industry at a reasonable date. Storage and method of warehousing appeared to be adequate.

ECONOMIC (FOREIGN TRADE) BRANCH.

15. Subsequent to the handing over by AC of its last remaining foreign trade function, a Foreign Trade Committee was established to advise the Italian Government on foreign trade matters. The Committee, which is advisory, contains representatives of various Ministries such as Foreign Affairs, Industry and Commerce and Foreign Trade, and representatives of the British and American Embassies, UNRRA and AC. Three meetings have been held; the first dealt with the structure and functions of the Committee, and it was decided that the Committee could be informed, and its functions, consult ative and of a co-ordinating nature. Meetings were held weekly at the Ministry of Foreign Trade.

16. About the middle of this month AC passed over to the U.S. Embassy the care of the negotiations initiated with the representatives of the U.S. Military Government in GERMANY.

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

[illegible] received in February were finally delivered to farmers, after a delay of nearly three months, during which the Italian officials were deciding what quantities and at what prices machines should be sold. Supplies of fertilizer against PL 25 and 27 requisitions were received during the month and the manufacture of domestically produced fertilizers was stepping up rapidly and gave promise of being able to obtain from 60 to 70 % of their pre-war production during the year beginning July 1 1946.

13. The emergency training decree [illegible] the delivery of not less than 5 per cent of all authorized with holdings of cereals brought in 33,000 tons of grain (excluding rice) during May or 49 per cent of the established goal. Plans and prices for financing the grain of 1946 harvest were announced. Prices including substantial premiums for early delivery, were approximately 2½ times those prevailing in 1945 and coupled with a high rate estimated at 40% in favor should insure deliveries very much greater than those a year ago.

14. An inspection was made during May of farming equipment imported in 1946 under PL requisitions and still in warehouses in the Naples area. It was found that the principal items on hand were iron, sheet-iron sheds, files for sharpening iron and rope belting. Although distribution was much slower than was anticipated, it was the opinion of the Democratic Municipal Administration [illegible] Commando Provinciale del Lavoro, that they will be absorbed by the timber industry at a reasonable date. Storage and method of handling appeared to be adequate.

[illegible] (Foreign Trade) [illegible]

15. Subsequent to the handing over by AC of the Unit regarding foreign trade functions, a Working Group was established to advise the Italian Government on trade matters. The Committee, which is advisory, contains important types of work in Ministries such as Foreign Affairs, Industry and Commerce and Foreign Trade, and representatives of the British and American Missions, USFET and AC. Three meetings have been held; the first dealt with the composition and functions of the Committee, and it was decided that the Committee should be informed, and its functions, covered five and of a non-executive nature. Meetings were held mostly at the Ministry of Foreign Trade.

16. About the middle of this month AC passed over to the U.S. Embassy the care of the negotiations initiated with the representatives of the U.S. Military Government in [illegible].

17. Attempts were made to put trade between [illegible] and the [illegible] on a stable basis, and to this end, initiated negotiations (see last month's report) between the representatives of the Trieste [illegible] and the Italian Government. It was agreed that a system be set up to stimulate compensation trade. After this had been agreed, information was received from [illegible] which worked out the procedure for trade between [illegible] and her ex-colonies (occupied territories.) This procedure was submitted to the Italian government for its comments and a reply is awaited [illegible] Allied Military Administration, [illegible]. The effect of the new system, as also normal trade between [illegible] and occupied territories (Austria, Germany, [illegible]) may be carried on between traders resident in these and Italy, provided settlement is effected in sterling through [illegible]. Future trade will not therefore be based on compensations. There

is no doubt that from the moment that the new system is introduced, trade between [illegible] and these areas, will have a much better chance to open to. Up till now the dual shackles of barter and bureaucratic control have resulted in little or no trade.

10. In connection with the proposed opening up of private trade on a normal money basis, the question of visits of business men between [illegible] and the occupied territories was pursued by AC with AFHQ and by this latter HQ with [illegible] II. It is hoped that [illegible] will modify their attitude on the question of permitting the entry of business men and property owners into [illegible].

INDUSTRY AND UTILITIES BRANCH

19. Numerous requests were received for de-requisition of industrial premises. The worst areas affected were NAPLES, LECCE and the area from ANCONA to VENICE. Lot such success was evidenced in connection with the first two mentioned areas where the British and American armies have their main base installations. However, with regard to the Montecatini Plant at MANFREDONIA, the Director of Ancalbo and NAAG and Ordnance have been in conference and it appeared likely that further sections of the works will be handed back to the owners, this will probably help the unemployment situation in this area.

20. The revised timber plan was approved by AFHQ and the Italian Government instructed to implement the scheme, a loan of 50,000,000 lire was advanced by the Italian Treasury to the Timber Federation to enable them to continue until payment by the Military Authorities for timber supplied could be effected. A large saw mill and a molasses and syrup plant in the FOGGIA area were requisitioned by the British Authorities, and after the withdrawal of 2 Polish [illegible] the vacation of many other premises is planned.

21. Little progress in industrial activities was possible due to the coal shortage. It was not possible to restart the [illegible] blast furnace and coke ovens and with the non-arrival of American pig iron the situation was not promising, this material together with coal is the basis of all engineering industry. It is hoped that the resumption of shipments of American coal will improve matters, but it can hardly be expected that the benefit will be shared to us buildings have to be made up and priority users supplied.

22. Imported coal discharged in ITALY including SICILY during the month of May totalled 230,000 tons. Sardinian coal arrivals totalled 57,000 tons during the same period. Sardinian coal production for May was 68,634 tons; this was a decrease of 1,516 tons. Production of lignite during the month was, approximately the same as the previous month 150,000 tons.

23. Bulk products of POL continued to be released by the Military in a satisfactory manner and by end of May all bulk quantities due against gasoline, kerosene and fuel oil were released in full. Information was received during the month that crude oil from ALBANIA would be available for export to ITALY for refining locally.

24. The Northern Italy Advisory Board has discussed the matter of standardization of frequency and transformation and distribution voltages. It will require several years to complete the programme.

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

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

[illegible] requests were received for acceleration of industrial production. The worst areas affected were Milan, Leghorn and the area [illegible] to Naples. Not much success was experienced in connection with the first two mentioned areas where the British and American armies have their own bag installations. However, with regard to the Ansaldo Plant at Naples, the Director of Ansaldo and ACC officers have been in conference and it is expected likely that further sections of the works will be handed back to the owners, this will probably help the unemployment situation in that area.

20. The revised timber plan was approved by AFHQ and the Italian Government authorised to implement the scheme, a loan of 50,000,000 lire was advanced by the Italian Treasury to the Timber Corporation to enable them to continue work until payment by the Military Authorities for timber supplied could be effected. A large saw mill and a molasses and syrup plant in the Foggia area were released by the British Authorities, and also the withdrawal of 2 Polaroid Sawmills from Naples is proposed.

21. Little progress in industrial activities was possible due to the coal shortage. It was not possible to reopen the Dalmine blast furnace and coke ovens and with the non-arrival of Ruhr coal the situation was not promising, this combined together with coal is the basis of all engineering industry. It is hoped that the resumption of shipments of American coal will improve matters, but it can hardly be expected that the benefit will be immediate as backlogs have to be made up and priority users supplied.

22. Imported coal discharged in ITALY including SICILY during the month of May totalled 330,000 tons. Sardinian coal arrivals totalled 57,000 tons during the same period. Sardinian coal production for May was 50,654 tons; this was a decrease of 1,346 tons. Production of lignite during the month was approximately the same as the previous month 100,000 tons.

23. Bulk products of POL continue to be released by the Military in a satisfactory manner and by end of May all bulk quantities due against gasoline, kerosene and fuel oil were released in full. Information was received during the month that crude oil from ARGAL would be available for export to ITALY for refining locally.

24. The Northern Italy Advisory Committee discussed the matter of standardization of frequency and transformation and distribution voltages. It will require several years to complete the programme.

25. The Central and Southern Italy Joint Meeting discussed standardization of frequency and planning plans for the coming autumn and winter. It is not expected that frequency standardization will be accomplished by the end of 1945 due to necessary extended changes to be made on some customers' equipment. Some load shedding will be necessary in CENTRAL and SOUTHERN ITALY during the coming autumn and winter, but it is not expected to be as serious as that experienced during the past winter. Coal for gas plants operation would be of great benefit in relieving the electric system of domestic heating and cooking loads.

26. The SILA Reservoirs for SOUTH OF ITALY show storage of 252,000,000 M3 or about 60% of full capacity; not much more filling is expected. The reser-

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

were started off last year at full capacity; however, the deficiency will be offset to some extent by restored generating plants and power coming from [illegible] and from the [illegible]. The storage reservoirs' position in [illegible] is expected to be satisfactory. Those supplying the power for [illegible] and [illegible] areas are now filled. Those supplying the balance of [illegible] are just starting to fill from the melting snows in the Alps. No improvement has been experienced in the storage position in [illegible]. Very little change was made in the power allocations for June as compared with May. Such changes as were made were due to seasonal variations in load.

27. The question of contract for wholesale power between [illegible] is now under discussion in [illegible]. No information is available as yet on the results of negotiations. Arrangements were completed for transferring of electrical installations to British Ministry of Supply and Ministry of Public Works. The Italian Government's request for permission to implement a housing programme in [illegible] to relieve unemployment and housing was not deemed necessary at the present time by [illegible].

28. Utilities Division AG, was registered by the Directorate of Bridges and Docks (Fixed Assets) C.M.F. to assist in the negotiations on turning over to the Italian Government all Bailey bridges in Italy, which are still in position and which were installed by the British Army. Agreements satisfactory to all parties concerned were completed.

TRANSPORTATION AND SHIPPING BOARD.

29. 91% of the total network of the railway system was in operation. However, the percentage of electric traction was only 62% and the double track available for service only 51% compared to the 1938 figures. The locomotive situation for April showed an improvement over March as there were fewer locomotives awaiting repair. 55% of the tractive power compared to 1938 was available and only 2,611 steam locomotives available compared to 5,277 in 1938. A total of 7,235 passengers made use of the international train services during April compared to 6,516 during March.

30. A total of 2000 motor vehicles were put in circulation during the month of April 1946. As of 31 December 1945 there was a total of approximately 313,700 motor vehicles in operation compared to a total of 650,000, as of 31 December 1939. 1901 new vehicles were manufactured during the month of April.

31. A total of 136,477 tons of coastwise and ship moved during the month of May. This figure showed an increase of 34,276 tons over the preceding month and an increase of 111,671 tons over May 1945. 25 ships [illegible], Italian Registry, Army and Navy were put to use, carrying a total of 70,012 tons, utilized in Italian Ports during May.

CIVILIAN MINE SUPPLIES BOARD.

32. Sales now during the month totalled 35 as compared with 269 during April; the main depots, dumps and stores of explosives previously controlled have now been relinquished to the Italian Government. The sales are still to be made appear to be those of material held by units and installations which have become surplus on their redeployment and withdrawal.

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

35. The Italian government accepted the release of 200 vehicles which had been reconditioned in the C.M. Works, BELGOL and agreed to accept all liabilities of the cost of reconditioning and repairs. The balance of the vehicles, 119, will be taken over by AMGOT during next month.

36. In the Bologna area there were still a considerable number of C.M. vehicles in circulation. It is hoped to make an arrangement with AMGOT and the Italian Army to collect these vehicles and have them listed. There was still a portion of the Smallarms, AMMUN, ORDNANCE to be released to the Italian Government, it is hoped that the military command will release this in June for handover to AMGOT. Lists of CMH timber were compiled and 3 District warned to give release instructions. Lists of CMH material at [illegible] PLANT, CASTEL MILLO were forwarded to 3 District for release. The R.E.M.F. files together with the staff were moved from BOLOGNA to ROME on the 11th May 46. The setting up of the files for easy reference was completed prior to the end of the month and the work of classification, investigation etc. is now continuing.

37. From available information from 3 District and AMGOT it would appear that the release figures of this month will remain much the same during the next four to six weeks plus a certain number of store releases in the North which were being consolidated.

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

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

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

PART IV.

DEPARTMENT SUB-COMMISSIONS.

NAVAL SUB-COMMISSION.

1. During the month the Italian Government assumed responsibility for maintaining food supplies for the Italian Navy thus making the Italian Government responsible for the subsistence of all her Armed Forces excepting US-ITI and BRIT-ITI troops. The transfer was carried out satisfactorily.

2. In addition to the supply of the nine sweeping stores recommended by the President of the Mediterranean Zone Mine Clearance Board, some German minesweeping equipment was transferred to the Italian Navy. This equipment, together with the other minesweeping stores which were supplied from NAVCOM, will ensure the efficient operation of the Italian minesweeping service and, in particular, of the British minesweeping trawlers transferred to the Italian Navy.

3. The end of May saw the completion of a full programme designed to repatriate all the 50,000 Italian POW in NORTH AFRICA by the beginning of the year. There remained only a few sick in hospital in ALGERIA.

4. King Victor Emmanuel and Queen Helena of Italy inducted in the Duca degli Abruzzi for Alexandria after the King's abdication. The cruiser was escorted by the destroyer Granatiere.

5. The Ministry of Marine reported the JUGOSLAV seizure of ten Italian fishing craft together with their crews. The report was later confirmed.

6. All eight Italian M/S Groups began work in earnest to secure an expedited mine clearance of mines in Italian waters. Almost all the 52 minesweepers lent to the Italian Navy were operational and took part in these operations. Work proceeded at [illegible], SPEZIA, CIVITAVECCHIA, PORTO VENERE, CAPE MESSOLO, PRATICA, ANCONA, VENICE, ALGHERO and CAGLIARI.

7. The Italian Navy was represented at the meeting of the International Mine Clearance Board at the end of the month.

LAND FORCES SUB-COMMISSION (G.H.Q.).

8. The total strength of the Italian Army including Carabinieri as on 1 May 45 was 210,414 against a ceiling of 215,000.

9. S.A.C., S.A.F. authorised the release of all outstanding weapons and equipment for the Italian Army. Issue is proceeding.

10. The primary training of the contents of the first post-war call-up was completed at the end of April. Advanced training is now proceeding at both CAIO (Italian Parachutist Training Centre) and Central Schools.

11. All training was suspended during the latter part of May as a result of both Parades and formations being fully employed on election duties.

together with the other minesweeping stores which were supplied from [illegible] will ensure the efficient operation of the Italian minesweeping service and, in particular, of the British minesweeping trawlers transferred to the Italian Navy.

4. The end of May saw the completion of a full programme designed to repatriate all the 30,000 Italian POW in NORTH WEST AFRICAN COAST at the beginning of the year. There remained only a few sick in hospital in ALGERIA.

5. King Victor Emanuel and Queen Helena of Italy embarked in the Duca degli Abruzzi for Alexandria after the King's abdication. The embarkation was escorted by the destroyer Granatiere.

6. The Ministry of Marine reported the SUCCESSFUL seizure of ten Italian fishing craft together with their crews. The report was later confirmed.

7. All eight Italian M/S Groups began work in earnest to secure an expedited clearance of mines in Italian waters. Almost all the 22 minesweepers lent to the Italian Navy were operational and took part in these operations. Work proceeded off LEGHORN, NAPLES, CIVITAVECCHIA, PORTO TORRES, SAN REMO, GENOA, LEGHORN, TARANTO, VENICE, ANCONA and CATANIA.

8. The Italian Navy was represented at the meeting of the International Mine Clearance Board at the end of the month.

[illegible] SUB-COMMISSION (SFHQ).

9. The total strength of the Italian Army including Combined Services on 1 May 45 was 210,114 against a ceiling of 265,000.

10. C.C.S., C.M.F. authorised the release of all outstanding weapons and equipment for the Italian Army. Issue is proceeding.

11. The primary training of the contents of the first post-war call-up was completed at the end of April. Advanced training is now proceeding at both C.R.I. (Italian Territorial Training Centre) and Central Schools.

12. All training was suspended during the latter part of May as a result of both recruits and formations being fully employed on election duties.

13. Recruiting of Carabinieri within the ceiling of 10,000 authorised by AFHQ did not come up to expectations, only 1,000 having volunteered for re-enlistment as opposed to an anticipated 3,000. The authorities nevertheless remained confident that the necessary men would volunteer when election results became known and recruiting propaganda gained momentum.

14. Ammunition ceilings up to half establishment and adequate grenades both for small arms and crowd control were issued in case of trouble during the election period.

15. The morale of both Army and Carabinieri continued to rise and relations with the public improved.

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

5169

15. The Medical Depot at [illegible] continues to receive stores from [illegible], but part of the [illegible] plant was occupied by E.P.I.C. which hindered efficient working. The matter was in hand between the Medical Directorate and the Ministry concerned.

16. Repatriation of PW from [illegible] was completed; 79% of PW in UK and 90% of PW in [illegible] have been repatriated. 18,346 PW were repatriated during the month.

ALLIED SUB-COMMISSION.

17. Flying training was only possible during the first half of the month due to the general strike which grounded all aircraft after the 14th. Once intensive flying training was substituted.

18. Two new laws were being passed to reduce the effective and N.C.O. strength of the I.A.F. Army and Navy. It was anticipated that 769 Generals and Senior Officers and 7,000 N.C.O's would be released from service. Released officers will receive two years allowance in the rank they held on being released plus 3 years pension allowance, a special gratuity and a special monthly allowance.

19. Owing to the delays caused by the High Commissioner for [illegible] and in view of the fact that the Vatican Relief do not wish to be involved in political wrangles, also because the prices of food and foodstuffs generally were lower than when the scheme was originally mooted last November, the whole project of transportation of non-enclosure foodstuffs by air from S.E.D.E.S. was cancelled. The facts of the matter were being brought to the attention of the Italian Prime Minister.

20. The British Air Ministry authorised the handing over to the I.A.F. of 50 SPITFIRE IX aircraft from [illegible] in addition to all spares, ground equipment etc. available in Italy.

21. On July 27 an Italian SM 79 aircraft was stolen from [illegible] Airfield by five unidentified men, said not to be members of the I.A.F. The aircraft belonged to the school at [illegible] and was due to return to its base on the morning of the theft. Information was received later that the aircraft landed at [illegible] (near [illegible]) but was not inspected by the [illegible]. A full investigation was being carried out in Italy by Italian Air Ministry Officials.

22. A.P. Italy, [illegible] carried out tests on overhauls of aircraft engines with an output of 30 per month. FIAT of Turin was working on designs for the G 80 training aircraft and studies were also being made of types G 82 - 24 and G 36 - 4 for future civil aviation.

23. A record number of 1,700 I.A.F. ex-PW passed through [illegible] during the month.

24. An agreement was obtained with the British Air Ministry to the supply of certain aircraft, marine craft and signals equipment and to a limited number of English-speaking Italian personnel being given certain courses in the UK with a view to improving the standard of training in various Italian Air Force Schools.

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

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

...ordering was substituted.

18. Two new laws were being passed to reduce the officer and N.C.O. strength of the I.A.F. Army and Navy. It was anticipated that 709 Generals and Senior Officers and 7,000 N.C.O's would be released from service. Released officers will receive two years allowance in the rank they held on being released plus 2 years pension allowance, a special pension allowance and a special monthly allowance.

19. Owing to the delays caused by the High Commissioner for GERMANY, and in view of the fact that the Italian Police do not wish to be involved in political wrangles, also because the price of fish and foodstuffs generally were lower than when the scheme was originally mooted last November, the whole project of transportation of non-rationed foodstuffs by air from GERMANY was cancelled. The facts of the matter were being brought to the attention of the Italian Authorities.

20. The British Air Ministry authorized the handing over to the I.A.F. of 57 SPITFIRE IX aircraft from GERMANY in addition to all spares, ground equipment etc. available in ITALY.

21. On May 27 an Italian SM 79 aircraft was stolen from [illegible] Airfield by five unidentified men, said not to be members of the I.A.F. The aircraft belonged to the school at [illegible] and was due to return to its base at the conclusion of the theft. Information was received later that the aircraft landed at [illegible] (near GRADISCA) but was not inspected by the [illegible] U.S. full investigation was being carried out in ITALY by Italian Air Ministry Officials.

22. [illegible] carried out tests and overhauls of aircraft engines with an output of 40 per month. FIAT of TURIN was working on designs for the G 46 training aircraft and studies were also being made of types G 22 - 24 and G 26 - 44 for future civil aviation.

23. A record number of 1,300 I.A.F. ex-POW passed through [illegible] during the month.

24. An agreement was obtained with the British Air Ministry to the supply of certain aircraft, marine craft and signals equipment and to a limited number of English-speaking Italian personnel being given certain courses in the UK with a view to improving the standard of training in various Italian Air Force Schools.

COMMUNICATIONS SITUATION.

25. Civilian telegraph and telephone traffic increased steadily especially in N.I. ITALY where in some cases such as [illegible] and TURIN, long distance telephone traffic handled were in excess of pre-war.

26. Release of circuits by Allied Military Forces and construction and repairs by the Ministry of Posts and Telecommunications resulted in a few additional circuits being made available on main routes.

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HEADQUARTERS ALLIED COMMISSION
APO 794

15 LUG 1945

MONTHLY REPORT

APRIL - 1945

INDEX

		Page No.
	POLITICAL SUMMARY	1 - 2
PART I -	LIAISON GROUP REPORTS	3 - 22
	Liguria Liaison Group	3 - 5
	Lombardia Liaison Group	5 - 6
	Piemonte Liaison Group	6 - 8
	Venezia Liaison Group	8 - 10
	Naples Liaison Group (Calabria, Campania)	10 - 11
	Livorno Liaison Group (Tuscany Region)	11 - 12
	Bari Liaison Group (Apulia, Marche)	13
	Trieste Liaison Group	14
	Bologna Liaison Group (Emilia)	14 - 15
	Bolzano Liaison Group	15 - 16
	Region of Abruzzi & Lazio	16 - 17
	Rome City and Province	17 - 18
	AMG Udine	18 - 19
	AMG Venezia Giulia	19 - 22
PART II -	CIVIL AFFAIRS SECTION	23 - 24
	Local Government Sub-Commission	23
	Legal Sub-Commission	23
	Public Health Sub-Commission	23
	Public Safety Sub-Commission	23 - 24
	Displaced Persons & Repatriation Sub-Commission	24
PART III -	ECONOMIC SECTION	25 - 28
	Food Division	25
	Agricultural Division	25 - 26
	Finance Branch	26
	Commerce (Foreign Trade) Branch	26 - 27
	Industry Division	27
	Transportation and Shipping Branch	27 - 28
	Captured Enemy Materials Branch	28
PART IV -	PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS	29 - 32
	Public Relations Branch	29
	Navy Sub-Commission	29
	Land Forces Sub-Commission	29 - 30
	POW Division	30
	Air Forces Sub-Commission	30 - 31

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

POLITICAL SUMMARY..... 1 - 2

PART I - LIAISON GROUP REPORTS..... 3 - 22
Liguria Liaison Group..... 3 - 5
Lombardia Liaison Group..... 5 - 6
Piemonte Liaison Group..... 6 - 8
Venezia Liaison Group..... 8 - 10
Naples Liaison Group (Calabria, Campagna)..... 10 - 11
Livorno Liaison Group (Tuscany Region)..... 11 - 12
Bari Liaison Group (Apulia, Marche)..... 13
Sicily Liaison Group..... 14
Bologna Liaison Group (Emilia)..... 14 - 15
Salerno Liaison Group..... 15 - 16
Region of Abruzzi & Lazio..... 16 - 17
Rome City and Province..... 17 - 18

AMG Udine..... 18 - 19
AMG Venezia Giulia..... 19 - 22

PART II - CIVIL AFFAIRS SECTION..... 23 - 24
Local Government Sub-Commission..... 23
Legal Sub-Commission..... 23
Public Health Sub-Commission..... 23
Public Safety Sub-Commission..... 23 - 24
Displaced Persons & Repatriation Sub-Commission... 24

PART III - ECONOMIC SECTION..... 25 - 28
Food Division..... 25
Agricultural Division..... 25 - 26
Finance Branch..... 26
Commerce (Foreign Trade) Branch..... 26 - 27
Industry Division..... 27
Transportation and Shipping Branch..... 27 - 28
Cultural Stock Materials Branch..... 28

PART IV - PUBLIC RELATIONS BRANCH AND INTELLIGENCE SUB-COMMISSIONS 29 - 32
Public Relations Branch..... 29
Navy Sub-Commission..... 29
Land Forces Sub-Commission..... 29 - 30
POW Division..... 30
Air Forces Sub-Commission..... 30 - 31
Communications Sub-Commission..... 31 - 32

CONFIDENTIAL

ALLIED COMMISSION
9396
HEADQUARTERS

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

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

POLITICAL SUMMARY

1. The month was notable mainly for the holding of the Socialist Party and Christian Democratic Party National Congresses and for a serious crisis in the food situation. The 24th National Congress of the Socialist Party opened in Florence on April 11th and lasted until April 17th. The principal topic of discussion was the question of fusion with the Communist Party linked with which to a certain degree was the future position of the Secretary General of the Party, Signor Nenni. Signor Togliatti, the Communist leader opened the proceedings and ridiculed the idea that his Party wished to absorb the Socialists. He pleaded for a permanent union in domestic and foreign affairs of the two left-wing parties. Speeches followed by representatives from SWITZERLAND, POLAND, AUSTRIA, BULGARIA and SAN MARINO. Prof. Laski, the Chairman of the British Labour Party spoke next and declared that British Labour stood shoulder to shoulder with Italian Socialism; he went on to predict that in May Italians would be sitting side by side on equal terms with their British comrades at the Peace Conference table. Signor Nenni claimed that the Socialist Party had been the most intrepid and consistent champion of the Constituent Assembly and outlined the Party's programme - a democratic Republic; a united State with local autonomies; a single legislative Chamber supported by a Chamber of Economic Councils; a President elected by the Chamber; a government responsible to the Chamber; a constitution guaranteeing freedom of conscience, thought, speech, press and organisation; definition of the right to work, to a home, to assistance and to education; limitation of the right of ownership with socialisation of the public services and monopolies and repudiation of war. The Party's foreign policy was that it could not afford to side with any bloc, whether Russian or Anglo-American. She needed to make regional ententes with FRANCE, SPAIN, JUGOSLAVIA, and GREECE. The just frontier with JUGOSLAVIA was that of 1919 and other claims to Italian territory were indisputable. The Socialists wanted trusteeship for the colonies, access to raw materials and freedom of emigration. As regards the Church, the Party accepted the Lateran Treaty as a fact, but thought it was necessary to define powers more clearly. Signor Nenni then broached the topic of greatest interest - the position of the Party. The Socialists would tackle the political struggle on the basis of unity brought about either by the "pact of united action" or by "fusion". Polemics on the subject of "fusion" with the Communists were artificial. The important point was unity of action and that the Socialists and Communists should gain the majority in the Constituent Assembly. Signor Nenni's report was the subject of lively debate on successive days and the delegates were often hostile in attitude in the early stages.

2. The results of the voting on the four motions submitted for discussion showed the "sezione di base" (inspired by Signor Nenni) to be in the lead by a slight majority. Generally it reaffirmed that the Socialist Party is, and remains, a class Party inspired by the Economic and social Principles of Marxism, having as its ultimate aim the destruction of capitalism, and as its immediate objectives the creation of the Republican and democratic State and the gradual application of substantial reforms in the sphere of land, industry and credit, which will free all the working classes from political oppression and economic exploitation; declares that there is no incompatibility between the members of the Socialist Party on proletarian unity and their religious belief. The Congress reaffirmed the necessity for the autonomy and independence of the Party, considering them indispensable conditions for making the pact of united action between the Socialist and Communist Parties. It therefore reaffirmed, as a result of the debate on the relations between the Socialists and Communists, that there is no question of

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

terms with their British comrades at the Peace Conference table. Signor Nenni claimed that the Socialist Party had been the most intrepid and consistent champion of the Constituent Assembly and outlined the Party's programme - a democratic Republic; a united State with local autonomies; a single legislative Chamber supported by a Chamber of Economic Councils; a President elected by the Chamber; a government responsible to the Chamber; a constitution guaranteeing freedom of conscience, thought, speech, press and organisation; definition of the right to work, to a home, to assistance and to education; limitation of the right of ownership with socialisation of the public services and monopolies and repudiation of war. The Party's foreign policy was that it could not afford to side with any bloc, whether Russian or Anglo-American. She needed to make regional ententes with FRANCE, SPAIN, JUGOSLAVIA, and GREECE. The just frontier with JUGOSLAVIA was that of 1919 and other claims to Italian territory were inadmissible. The Socialists wanted trusteeship for the colonies, access to raw materials and freedom of emigration. As regards the Church, the Party accepted the Lateran Treaty as a fact, but thought it was necessary to define powers more clearly. Signor Nenni then broached the topic of greatest interest - the position of the Party. The Socialists would tackle the political struggle on the basis of unity brought about either by the " pact of united action" or by " fusion". Polemics on the subject of "fusion" with the Communists were artificial. The important point was unity of action and that the Socialists and Communists should gain the majority in the Constituent Assembly. Signor Nenni's report was the subject of lively debate on successive days and the delegates were often hostile in attitude in the early stages.

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3. The final day of the proceedings of the Congress was taken up with the election of the new Party Executive, Signor Nenni being elected Chairman.

4. The Christian Democratic Party Congress opened in Rome on April 24th. Signor De Gasperi, the President of the Council and Secretary General of the Party, spoke on the opening day. He said that the programme of the Christian Democrats, having been carefully studied and drafted by the technical committees working under the Party Executive, had been drawn up and developed in full detail as shown by the resolutions of the Party's National Council. He reviewed the vast and complete record of Christian Democracy and the activities of its youth and women's organisations. He stated that loyalty to Trade Union unity must be maintained but subject to the condition that unity within the CGIL was not subordinate to Party programmes and directives. He gave a warning that the

Christian Democrats were not prepared to yield to brow-beating and intimidation, and in this connection added, " if there is still something that disturbs our hope of a serene and free decision by the Italian people in the elections, it is the rumours of arms and armed men and of intimidation from the Left and Right." It was absolutely necessary, he went on, that all Parties and citizens should disarm. He declared that the position of the Christian Democrat Party was clear and definite, it was neither Socialist nor Communist but favoured solidarity in the sense of the solidarity of groups in the interests, and for the purposes, of helping in the rehabilitation of the country, and through the system in which work has ensured pre-eminence over everything. As regards industrial reform it was not possible to think that in ITALY two or three million organised workers should presume to decide, unaided, the fate of the working classes when there were still many workers who were not centrally organised. " We are afraid that Marxism, as a tendency, may transform the economic sphere into a political one leading, at a certain point, to intervention with coercion which will be capable of making us lose our freedom. Marxism is permeated by the dialectical materialism which denies the conception of life affirmed by the Church, and we cannot be tranquil and rest content with the accommodating statements made by this or that Party in dealing with Catholics and believers; we do not in fact know the extent to which those statements are a continuation of the tactics often affirmed by Lenin in his writings."

On April 25th delegate Piccioni spoke on the institutional question. The reception of this speech revealed that its topic was the one which interested the delegates most. Debates were extremely lively and it was often difficult to maintain order. Voting by secret ballot was held on the question and resulted in 740,000 in favour of the Republic, 254,000 in favour of the Monarchy and 68,500 abstentions.

The Council of Ministers did not transact much business during the month. Its attention was chiefly occupied by the food problem. In meetings over Easter week-end, it became clear that, unless further Allied support were forthcoming, the bread ration would have to be cut from 200 to 150 grammes on April 24th if the total stocks of wheat held in the country were not to be reduced to 40,000 tons by May 15th. The Council approved a measure on April 17th for the supplementary arousing of 6% of the legal retentions held by producers. This programme is supposed to produce approximately 75,000 tons by May 15th or 30th (as against the UNRRA target of 158,000), but it was felt that it would be largely ineffective if at the same time the Council decided to cut the ration. On April 23rd the Council authorised Signor De Gasperi to cut the ration, if absolutely necessary. The President of the Council held his hand, however, until he could consult Mr. La Guardia, the Director General of UNRRA. He accordingly spoke to Mr. La Guardia on the trans-Atlantic telephone on the same evening and learnt that two ships with a cargo of 8,000 tons of wheat each had been diverted from [illegible] to ITALY. There was a possibility of a third. In view of this information, Signor De Gasperi decided not to reduce the bread ration for the present, but to concentrate on the supplementary arousing programme. The immediate crisis had ceased, therefore, but the situation remained extremely grave. It is, however, rather optimistically hoped that the May and June arrivals (which will also include shipments of gift wheat from the Argentine) will suffice to see the country through the next few critical months.

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

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

PART I - LIAISON GROUP REPORTS

LIGURIA LIAISON GROUP

1. Conditions improved slightly in the Port of GENOA in spite of the abundance of "fascio". There was an increase in the number of arrivals and a slight increase in the number of passengers carried. There still remains a considerable amount of repair work to be done to bring the Port installations back to their peacetime basis. On 28th April ANSALDO Works launched a motor ship "GIORGIO' BONSI", tonnage app. 3,200 at L. SPEZIA. A tanker "TURIN. VARIO" (dead weight 9,500) was also launched at GENOA on the same date. The British Director of Merchant Ship Repairs, Western Mediterranean, reported that he had lodged a complaint with Higher Authority, submitting that the increasing number of Local and National Holidays was interfering seriously with urgent ship repairs.

2. Agriculture was the only work that offered any employment. There was very little unemployment amongst farm workers, the majority of these being engaged on flower-growing which was at its peak during the month. The great mass of unemployment existed among industrial workers. In this class there were 12,000 unemployed with little hope of employment, the lack of jobs being mainly due to the irregular supplies of coal and scrap iron coupled with a scarcity of Government and civilian orders for goods; increased unemployment seemed a foregone conclusion. Supplies of cotton stimulated the fishing net industry and smaller shipyards were working, mainly building vessels up to 200 tons. There were over 10,000 unemployed sailors, stewards and other sea-going categories. Future prospects seemed reasonably bright although the likelihood of immediate employment was small. The number of office workers out of work was slightly under 3000 with the prospect of their employment in the near future practically nil. Those who had jobs were badly paid, particularly state employees and consequently there was considerable discontent. The High prices in the shops, which led to an almost complete stagnation of trade, produced some 2,750 out of work. Those who dealt in authorised goods suffered far more than the black-marketeers. Paradoxically the unblocking of many goods and the general easing of controls increased unemployment since many people who managed to make a living by dealing in black market goods can now no longer do so. The legal profession was the only one which flourished at all. Doctors, chemists and engineers found work very difficult to obtain and Governmental aid for this type of worker is non-existent. The total of unemployed in the Region approached 60,000, and the feeling is that the Government is not paying enough attention to the unemployment problem. There was no great danger of trouble due to the fact that the unemployed are not organized. Should they become organized there is every possibility of disturbances.

3. General condition of Public Safety in the Region was satisfactory, and the various police agencies functioned efficiently, bearing in mind the present difficulties. The Carabinieri are better equipped and disciplined than at any time since the liberation, and are winning for themselves their former prestige and public esteem. Due to indifferent clothing, lack of arms and transports, Public Security did not operate efficiently and the Ministry of the Interno appeared to do little to improve conditions. There was a preponderance of partisan personnel in GENOA and SAVONA Questure, most of whom are members of the Communist Party. They are in most instances inefficient and unsuited

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

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

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crimes less than in March. Public order was well maintained.

4. No security problems were apparent. All political parties appeared to be behaving correctly with a view to influencing favourable public opinion for the forthcoming constituents elections. "Liberation Day" and "Labour Day" passed without incidents in the Region; the processions in each case consisted mainly of Communist Party sections and the public response was apathetic. Many rumours continued to circulate about the future movements of the Communist Party, particularly that an attempted "Coup d'Etat" may be attempted after the elections should the Communist Party not be successful in obtaining a majority. From normal FSS/CIC sources, there was no concrete evidence of any such possibility. No apparent activity by pro-French sympathisers in the VENTIMIGLIA Italo-French frontier zone was observed. No problems arose from prisons in the Region. Following the revolt in S.Vittore Prison, MILAN, more stringent security measures were taken by Italian Prison Authorities.

5. The arrival of 1,014 Jewish refugees by allegedly military lorries at LA SPEZIA on 4th April 46 caused considerable interest. Details of their story will be found on page 24 under Displaced Persons. Their detention was effected spontaneously by the Italian Local Authorities and not by the Allies.

6. The average number of Displaced Persons repatriated to FRANCE and N.W. EUROPE dropped, as anticipated, to one hundred and twenty per week. This may be explained partly by the fact that repatriation to BELGIUM was postponed during half of the month. This postponement was ordered by the Belgian Authorities who sent a special mission to investigate future procedure for transit through FRANCE.

7. There were days when the flour situation approached a critical point, but the danger always failed to materialise. All provinces held sufficient stocks to ensure the bread ration until 5th May, LA SPEZIA until the 9th May. Four ships were expected to arrive within the next week, which would give enough flour to last until 23 - 24 May.

8. Weather conditions were very good and all kinds of cultivation benefited.

The Olive crop continued to show excellent promise as the trees flowered abundantly and early. Grass crops were very good and some of the grain crops, especially wheat, were already in ear. The fresh potato crop began, together with broad beans and peas. Cattle conditions were better but concentrated fodder was scarce and the price of bran remained very high. Agriculture in LIGURIA could be much improved by irrigation, better stock cattle, better distribution of technical information, and the increased use of mountain pastures.

9. During the month, grossly exaggerated reports of an epidemic of smallpox were circulated in the Province of GENOA. Official sources give the figures as six since January 1946. The Medico Provinciale having taken energetic measures to encourage mass vaccination, this "scare" had the good effect of a remarkable increase in the number of persons who presented themselves for vaccination.

10. On 15th April, both the A.C Rail and Port Offices were closed. Rail movements for the month dropped in relation to March, but no difficulties were encountered by I.S.R. either in the North or in the 13th Corps area. The doubling of the line between BIVIO POLCEVERA and VOLTRI was finished and will [illegible] the bottleneck between GENOA and the North which

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

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

5167

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

colliers to SAVONA as per programme. The result will be a further bunching of colliers at that port and possibly heavy demurrage. The main items discharged in April at the ports of GENOA and SAVONA were coal, grain, P.O.L. nitrates, salt, cotton, pyrites, steel, metals and sulphur; cargoes for Switzerland numbered 28 vessels. During the month 106 vessels arrived in GENOA and 36 in SAVONA and the total tonnage arriving was 246,243 tons. As from 1 April, ENIC in GENOA officially closed down; haulage by road is now uncontrolled, trip tickets having been abolished. P.O.L. however continued to be issued to trucks by ENIC on a basis of litres per carrying capacity. The distribution of tyres was also carried out by ENIC in the case of trucks and for these purposes a skeleton staff continued to be employed.

11. Telegraph service improved within the Region as a result of further repairs and overhauling of several routes. GENOA-PARIS international circuit was connected and is now clearing traffic. More telephone circuits were put into operation with ROME, MILAN and TURIN and trunk dialling systems worked efficiently. In the Provinces of L. SPEZIA and SAVONA all Telegraph Offices were resumed. Teams were very active all over the Region, carrying out their work quickly and efficiently.

LOMBARDY LIAISON GROUP

12. The month of April produced many incidents in Lombardia and particularly in MILAN. The end of the first week saw the Municipal elections in MILAN which managed to hold its elections in the allotted time limit. The actual elections on April 7 passed off in good order and resulted in a definite win for a well-organised autonomous Socialist Party. Professor Laski, of the British Socialist Party spoke at a meeting in MILAN where he advocated a definite anti-Clerical and autonomist policy for the Socialist Party of Italy, his emphatic statements being supported enthusiastically by the crowd. There was evidence during the month that the republican feeling was growing among the people and even among moderate circles there appeared to be no doubt as to the result of the referendum. The international situation continued to occupy considerable space in the Italian press.

13. There was a serious riot in S.Vittore Prison Milan which commenced on Easter Sunday and for various reasons was not quelled till April 24. (See Page 24 Public Safety Report). As a consequence about 950 prisoners had to be transferred to other prisons which in their turn were already crowded and their administration was thus made still more difficult. The Ministry of Grace and Justice held an enquiry into the reasons of this riot and in the meantime repairs were in progress but it is likely to be many months before this damage can be made good. Subsequently a new director took over S.Vittore Prison. In consideration of the current conditions the crime situation was fairly satisfactory. The behaviour of Allied troops was excellent. This month all Police forces returned to arm raids again and obtained some excellent results. Considerable controversy and publicity were evidenced when the grave of Mussolini was opened and the body taken away by persons unknown. The anniversary of the liberation of MILAN, April 25, was marked by a public holiday and by orderly and not over-crowded ceremonies.

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14. Alternate sunshine and rain were very favourable to the crops and the prospects for the harvest were excellent although the lack of fertilizers and tractors is a serious problem. The grain crop was disappointing only 1,980,000 quintals being collected instead of the 5,000,000 quintals expected. It is hoped that a further 450,000 quintals might be obtained by the end of June. The fat situation remained serious no ration having been given for 2 months, but the fresh milk position improved as is customary this time of year. The prices of unrationed foodstuffs remained high although vegetables and fruit, being plentiful, were cheaper. It is interesting to note that although prices

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

of certain articles came down the cost of living continued to go up. There was a considerable tightening up of discipline and restaurants were forbidden to sell white bread, certain types of pasta and cakes and sweets made with flour and sugar.

15. There was a good deal of unemployment and considerable industrial maladjustment. The same causes do not operate in the same way throughout every section of Lombard industry but generally there is available machinery, manpower and horsepower. The inability to put these into operation arises from lack of capital, outlet, and raw materials. Textile warehouses were choked with goods which they were unable to dispose of due to the fact that the shops are carrying large stocks of goods which the public is unwilling to buy owing to the high prices. The reluctance of the public to buy is due to the fact that the prime necessities of life, food and lodging are practically absorbing the whole of the Italian income. Industries previously connected with armaments are going through a period of crisis due to the complete cessation of war production and comparative inability to get going on peace-time industry. Whatever eventual manufacturing activity is decided upon, it appears clear that only a limited proportion of the present manpower can be absorbed in the near future. In BERGAMO the situation was somewhat relieved by the fact that a high proportion of the work was carried out in very small units, almost private house production. Many of the workers own a small plot of land on which they raise not sufficient to maintain a decent standard of living, but enough to break the shock of unemployment.

16. The Milan Camp was concerned with the coming and going of refugees chiefly of Jewish Nationality. It was decided to use the camp to stage these people in transit before being routed on to Static Camps, south. 730 were despatched to MONTE MILLA and 170 were despatched to LECCE; further moves will take place next month.

17. Public Health in the Region was normal.

18. A second Milan-London telephone line was put through during the month which was notable also for the re-establishment of the ITALY-AUSTRIA service; one cct. connecting MILAN with VIENNA. Of the 4800 numbers requisitioned on the Milan Auto System by the military only 700 were in actual use. It should be possible to hand back to STIPEL some 3000 of the remainder early in May.

PIEDMONT LIAISON GROUP

19. Following the local elections the newspapers of this Region took up the question of the bread rationing and kept the subject in the limelight until it was announced that no cut in the ration would be made as yet. Communist papers continued their propaganda against what was termed the Exploitation of Italy by the Allies; that some success was gained by these articles was evidenced by the trend of conversations heard in the streets and other public places. The Monarchists' people seemed to be at a low ebb, they complained of the lack of funds provided to carry on their pre-election propaganda. Turin Socialists were against union with the Communists and were quick to state that Prof.LASKI'S visit to this country was primarily to boost the antifusionist trend. The Republican Party [illegible]

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

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

[redacted] reluctance of the public to buy is due to the fact that the prime necessities of life, food and lodging are practically absorbing the whole of the Italian income. Industries previously connected with armaments are going through a period of crisis due to the complete cessation of war production and comparative inability to get going on peace-time industry. Whatever eventual armaments activity is decided upon, it appeared clear that only a limited proportion of the present manpower can be absorbed in the near future. In BERGAMO the situation was somewhat relieved by the fact that a high proportion of the work was carried out in very small units, almost private house production. Many of the workers own a small plot of land on which they raise not sufficient to maintain a decent standard of living, but enough to break the shock of unemployment.

16. The Milan Camp was concerned with the coming and going of refugees chiefly of Jewish Nationality. It was decided to use the camp to stage these people in transit before being routed on to Static Camps, south. 730 were despatched to FERMO DELLA and 170 were despatched to LECCE; further moves will take place next month.

17. Public Health in the Region was normal.

18. A second Milan-London telephone line was put through during the month which was notable also for the re-establishment of the ITALY-AUSTRIA service; one out, connecting MILAN with VIENNA. Of the 4800 numbers requisitioned on the Milan Auto System by the military only 700 were in actual use. It should be possible to hand back to STIPEL some 3000 of the remainder early in May.

FIEDMONT LIAISON GROUP

19. Following the local elections the newspapers of this Region took up the question of the bread rationing and kept the subject in the limelight until it was announced that no cut in the ration would be made as yet. Communist papers continued their propaganda against what was termed the Exploitation of Italy by the Allies; that some success was gained by those articles was evidenced by the trend of conversations heard in the streets and other public places. The Monarchists morale seemed to be at a low ebb, they complained of the lack of funds provided to carry on their pre-election propaganda. Turin Socialists were against union with the Communists and were quick to state that Prof.LUSKI'S visit to this country was primarily to boost the antifusionist trend. The Republican Democrat Movement recently opened local Headquarters in TURIN. Several arrests were made following the demonstration in MOSTE, 25 March 1946, but during the month things seemed to be fairly quiet. The big demonstration of 25 April 1946 was quiet, at least 50,000 people took part in the celebration in TURIN city; other demonstrations took place without incidents of a serious nature. Local government continued to function in a satisfactory manner. Five six prefects of the Region are all career men. Career questori were also being brought in when available. The last of the local elections, for the time being, were held on 7 April 1946. The TURIN local election is scheduled to come up

5166

during June, according to best information available. There are 1,021 communes in PIEDMONT, and elections have been held in 808 of them, leaving 213 for the future. While some rumors were heard of attempts to influence voters illegally, as well as cases of persons being illegally denied the right of franchise, not one concrete case was uncovered. Neither did any incidents of a serious nature occur during the actual elections. In all, the elections in the Region were conducted in a manner as to reflect credit on the responsible authorities and the voters.

20. The situation regarding Public Safety showed a considerable improvement; there were no crimes of a political nature and no political disorders or demonstrations involving violence. The police in general and the Carabinieri in particular, continued to improve and effected some useful arrests. Highway robberies practically ceased - probably attributable in part to lighter evenings but also due to the fact that the gangs have nearly all been broken up by police action. There were reported a number of crimes "in the house", burglaries and shop-breakings, but these also appeared to be diminishing. The morale of P.S. continued to rise steadily, with transport now beginning to be made available and also supplies of automatic weapons which were received and distributed. Political activity on the international-boundaries continued to be lively, but there was no recurrence of disturbances in the Aosta Valley nor any incidents on the border in general. The crime situation since the sudden liberation of prison populations subsided considerably, and since the recent troubles in neighbouring Regions the officials generally apparently decided on a stronger policy in the future.

21. Prices for rationed commodities showed very little variation from the March figures, but the monthly cost of items obtained in the "free" market showed an upward trend, especially in ASTI and TURIN Provinces. A study of the daily requirements for a family revealed that more than half, about 60%, of the calorific requirements had to come from other than rationed commodities. Stores continued to be well stocked and those with the necessary means had little difficulty in obtaining their requirements. Supplies of grain and flour continued to arrive at CUNEO and were distributed throughout the Region; in all cases the grain went to the mills immediately to be made into flour. Rural consumers did not get any rationed sugar in April. The much heralded cut in the bread ration did not take place, much to the satisfaction of all concerned.

22. Unemployment figures showed that as of 20th April 1946, there were slight increases in all of the Provinces but two, AOSTA and TURIN. In AOSTA the numbers decreased at least one-half from the 20th March 1946 figures, while in TURIN there was a forty percent increase, part of which included the 3,000 decrease shown for AOSTA. The latest figures given show the present number of unemployed as being 75,709. No major labor troubles came up during the month; there were, however, the usual individual and collective cases, the latter being settled and a large proportion of the individual cases adjusted.

23. The major needs of the manufacturers are well known, coal and raw materials. The large FIAT works employed about 50,000 people, and the numerous smaller firms employing parts etc. for FIAT employed an additional like number. This plant produced approximately 25% of its full capacity, usually about 40 trucks and passenger cars per day. Tires were recently made available and the vehicles were being turned out [illegible] with them. A large Industrial Exhibition was opened the first part of April, [illegible] from coffee grinders to farm tractors were on display. It is stated that this Industrial Exhibition is to be made permanent. A Building Exhibition is being planned for a date in

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

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23. The prime needs of the manufacturers are well known, coal and raw materials. The large FIAT works employed about 50,000 people, and the numerous smaller fir a producing parts etc. for FIAT employed an additional like number. This plant produced approximately 2% of its full capacity, namely about 40 trucks and passenger cars per day. Tires were recently made available and the vehicles were being turned out equipped with them. A large Industrial Exhibition was opened the first part of April, where everything from coffee grinders to farm tractors were on display. It is stated that this Industrial Exhibition is to be an annual event. A Building Exhibition is being planned for opening in September. And a Spring Fashion Fair is scheduled from 17 to 26 May 1946. Signs of industrial rehabilitation were very encouraging.

24. Heavy rainfall in April was generally very beneficial. Seeding of wheat, preparations for the sowing of corn, beans, potatoes and oats were begun and the planting of vines and fruit trees was completed. Phosphates, sectional fertilizers and spray materials continued to be scarce. The superphosphate factory at TORINO (capacity 15,000 qls/month) started production and another at PORTO MARGHERA can start as soon as phosphate rock from GENOA is available. There was a continued shortage of sulphurous products, except that found on the black market at very stiff prices. Barley promised well but owing to the poor fertilization of the soil for the past five years, it's very optimistic to predict a bumper crop. But trees were infested with insects and required treatment. Cattle were reported to be in very good condition.

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

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

25. Delay in rebuilding bridges was attributed to shortage of cement. Repairs to buildings were being done to the limit of supplies and other matters cropping up to hinder the progress. The hydro-electric plants were all well supplied with power as the result of the melting of the snow and the spring rains. The prior planning done by AMG before the hand-over resulted in effort well spent.

26. The Displaced Persons Camp operated in TURIN was being used to full capacity and continued to operate along the lines that make it one of the best Displaced Persons Camps in Italy.

27. The local medical authorities reported that conditions of health were normal. They reported that there were no epidemics of a serious nature prevalent.

28. During the month the Ministry of Transport abolished the trip ticket formerly required for all transport haulers, and now POL is distributed twice per month according to the load capacity of the truck, etc. Many of the truck owners did not like the new system and claimed that they had to go to the black market in order to make daily trips, and complained that owners who are not busy all of the time can take allotted P.O.L. and sell it on the black market. Just how the new system will eventually work out remains to be seen. In spite of the pros and cons there appeared to be ample P.O.L. available. The projects on reestablishing telegraph and telephone facilities continued to make some progress. The shortage of coal was blamed as the reason for some of the rail facilities not being operated to greater capacity.

VENEZIA LIAISON GROUP

29. A very noticeable decrease in Political activity throughout VENEZIA Region was observed during the month of April, due largely to lack of party funds and enthusiasm expended in the communal elections. The press generally was more occupied with the Paris peace conference and the general economic and food situation. The only groups expressing any great concern over the June elections appear to be the supporters of the monarchy; they seriously urged that the vote on the referendum be postponed for at least a minimum of three or four months. This being their first experience in resorting to electoral processes to maintain their existence they seemed to be at a loss to organize their strength and conduct an effective campaign. It was interesting to observe that the newly elected Communal Council and Giunta generally attempted to cooperate in tackling local problems, irrespective of party affiliations. The right, particularly the Christian-Democrats, were in many instances surprised at disillusioned by defeat; this did not seem to have reached the point of apathy, but interviews with public officials made it clear that the Italians have little conception of how a minority should function, their definition of a healthy opposition appearing to embrace solely a resigned non-obstructionist attitude characterized by a rather dejected analysis of the disparity in numbers between majority and minority. Generally speaking the Left Wing parties adopted

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

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30. In general the Public Safety situation throughout the Region [illegible] slightly during April, particularly due to several instances of highway robberies in the Rovigo area; however this entire gang was apprehended. "Bolsa" and unemployed were responsible for some demonstrations and minor demonstrations by unemployed were also staged in BELLUNO but all demonstrations were reasonably orderly. The prisons throughout the region continued to be overcrowded. General Military Security was good and no actual acts of sabotage were reported, although

5165

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

means of encouraging the farmers to bring in more grain to the market but at least 70% of grain requirements was being met by UNRRA. Present visible stock supplies of grain are sufficient to meet requirements (ration 200 gr.) in the Region until the 10th of May, with two UNRRA ships scheduled to arrive during the month, which should be sufficient to meet requirements providing continuous pressure is put on the farmers to make up the balance. The situation from June 1st until harvest is much more serious but if UNRRA can continue its present allocations it is believed there is sufficient grain in the area to make up the balance irrespective of what the Italian officials contend. The agricultural outlook was exceptionally good throughout the Region due to recent rains and it is expected that the grain harvest will be approximately normal, the prospects being also extremely good for the fruit and vegetable crops.

32. Industry continued to be handicapped by lack of coal, in fact the glass industries of VENICE have never been able to operate. The wool, silk and cotton industries in VICENZA were operating full time due to arrival of raw materials. Total unemployment throughout the eight provinces of the Region rose from 166,000 in March to 190,000 in April. BELLUNO province sent some 500 miners to Belgium and Poland and the public works programme should be in full operation in May which may decrease the above figures. At the end of April public works projects in the total value of 313,000,000 lire employing 18,200 men were in progress. Approval was received from Rome for two sections of the Venice port improvement project totalling 1,200,000,000 lire. Reconstruction of 6 silos and warehouses will comprise the first goals in this programme.

33. There was little movement of Displaced Persons within the Region and the situation remained unchanged; the camp at PADOVA contained approximately 1200 persons and at VERONA 500 persons.

34. Public Health continued good; oil and DDT for use in malaria control were available in VENICE and UNRRA is making extensive plans to combat malaria commencing May 1st.

35. Telegraph service was practically back to pre-war status. Prior to the war 386 offices were operating throughout this area and at present there are 376. The situation remained the same with the two tele home companies serving the area. Prior to the war Telve had 31 exchanges and Timo 197 and at the end of April Telve had in operation 31 and Timo 95 with 6 more opening in May. A total of 192,000 tons of shipping entered the port of VENICE during April as against 203,000 tons in March. VENEZIA Region Ufficio Autotrasporti moved 208.077 tons during April, with 5,142 truck pools operating. The POL allocations appeared quite satisfactory.

36. The Preture and Tribunali were still sadly lacking in personnel. The Corti Straordinarie d'Assise, trying the most urgent and serious cases, borrowed personnel from other courts which only served to make a bad situation worse; cases pending in some districts were well over a thousand.

37. In the field of education, bomb damage and requisitions by Allied Units have to some extent reduced the teaching programme, but nowhere in the Region is any child being deprived of schooling because of these conditions. In fact a

telephone lines were occasionally interrupted. Recent troop movements into VENEZIA GIULIA with their display of strength evidently had a deterrent effect upon the public.

31. It was most difficult to obtain an accurate and true picture of the food situation in this Region. During April there was no suspension of rationed cereals, and although there was a shortage of oils and fats as well as sugar, these commodities were available to mothers, children and the indigent. All restaurants and shops appeared to be well stocked with foodstuffs. The average cost of living for a family of three was generally estimated at 18,000 lire in VENEZIA and this allowed nothing for luxuries. The average office worker's salary was from 9 to 10,000 lire and the factory worker's from 5 to 9,000 lire monthly. The Italian officials were finally aroused to the necessity of devising ways and means of encouraging the farmers to bring in more grain to the mussi but at least 70% of grain requirements was being met by UNRRA. Present visible stock supplies of grain are sufficient to meet requirements (ration 200 gr.) in the Region until the 10th of May, with two UNRRA ships scheduled to arrive during the month, which should be sufficient to meet requirements providing continuous pressure is put on the farmers to make up the balance. The situation from June 1st until harvest is much more serious but if UNRRA can continue its present allocations it is believed there is sufficient grain in the area to make up the balance irrespective of what the Italian officials contend. The agricultural outlook was exceptionally good throughout the Region due to recent rains and it is expected that the grain harvest will be approximately normal, the prospects being also extremely good for the fruit and vegetable crops.

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

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37. In the field of education, bomb damage and requisitions by Allied Units have to some extent reduced the teaching programme, but nowhere in the Region is any child being deprived of schooling because of these conditions. In fact a

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

survey of BELLUNO, TREVISO and VENEZIA provinces shows that in 1945, 827 Public schools were in operation against 1056 in 1946.

38. The matter of military requisitions, particularly in VENICE and the LIDO areas is becoming increasingly difficult. Civilians are naturally anxious to reestablish their pre-war business activities but with present military commitments this is at times impossible. Considerable pressure is being put on Prefects and Sindaci to obtain derequisitions and although 86 Area has been most cooperative where possible, this situation will continue to be a source of irritation as long as military occupation continues.

NAPLES LIAISON GROUP (covering Calabria)

39. The number of political meetings increased considerably during the month but no incidents occurred. Administrative Elections were held again on the 7th of April which completed the first series, and the results showed the Christian Democrats to be the largest single party everywhere except in Benevento where they were slightly outnumbered by the Liberals. There were many Independents, but Communists and l'Uomo Qualunque had few followers. Communists, however, appeared on the Demo-Christian lists and the system of proportional representation is resulting in a weak mixture of many small parties. There was universal good order and interest with heavy polls, amounting to 80% to 90% of eligible voters in many cases. The women voted in strength and in one small Commune 100% of the women voted. Preparations for the Constituents Elections and Referendum on the 2nd of June were in hand and official party signs for 61 parties, for the benefit of illiterate electors were issued. A slight political turn was given to activities of returned POWs by the election of an ex-senior officer of Fascist Militia as President of the Naples Section of the National Union of Italian ex-POWs.

40. Conditions as regards Public Safety continued to be reasonably satisfactory. "Refusal" or returned POW showed alarming activity which alarmed the local authorities as the men did not consider that sufficient was being done to provide them with employment; they demonstrated 7 times in the first half of the month. On the 8th there was a clash between POW returned from Russia and the Communists; Labour sided with the Communists in protest and a general strike was only averted by the Prefect taking action to have the Communist Offices guarded. Cases in which Allied troops were involved in theft from or conflict with, civilians numbered 8 as against 14 in March. Two explosions occurred in the NOLA area of British ammunition; a total of 20 people were killed and two injured.

41. Further rain made harvest prospects good and a high yield is expected. The free, or so-called black market, for grain and other foodstuffs flourished in all provinces and was particularly in evidence in Naples. Food conditions were discussed with many employees and workmen and all without exception readily admitted that they supplement their bread and pasta rations by purchases on the free market. Publicity emphasising the shortage of grain in the immediate had the effect of raising grain and bread prices.

42. There was little labour unrest. The employees of the San Carlo Opera

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

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42. There was little labour unrest. The employees of the San Carlo Opera were on strike with a demand for a pre-war pension liability incurred by the Fascist Government to be accepted by the present Impresario. Apart from this, there were a few small disputes in pasta and preserve factories and the gas company clerical staff. The causes of the disputes were failure to pay bonuses and demands for more wages and were quickly settled.

43. Extreme slowness in starting reconstruction is a feature of the Administration in NAPLES. In TORRE ANNUNZIATA, 3 sets of huts for persons rendered homeless by the munition explosion, were nearing completion. One North

516

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

of the railway, consisting of four reconstructed buildings and 19 huts on a very crowded site, and two South of the railway consisting of 16 and 10 Nissen type huts respectively. Each hut was designed to give accommodation to two families and the whole scheme to about 500 persons. The accommodation will be very primitive with communal latrines and outside kitchens.

44. Public Health was good but the measles epidemic continued to be in evidence. Venereal disease reports were much the same as last month. 1400 infected women treated as against 1600 in March and 1500 in February.

45. The increasing activity of civilian motor vehicles of all sorts, which seemed to suffer from no petrol shortage was noticeable.

46. Italian Courts continued to function satisfactorily. War crimes trials by British military authorities were held at APUANIA in which A.C. arranged legal assistance for the accused.

LIVORNO LIAISON GROUP.

47. Since April 7th, the date of the last local administrative election, a marked tranquillity existed in TOSCANA politics. Meetings continued to be held, but these, for the most part, were of small groups planning strategy for the Constituents elections. That the month of May will bring forth an intensive campaign, there can be little doubt. However, no serious disorders are anticipated during the campaign, nor at the polls on June 2nd, in this Region and there existed an unexpected and unusual cordiality amongst the various party adherents. Local government administration was good.

48. An improvement in law enforcement was reported throughout the Region and a decrease of all types of serious crimes was noted in all of the provinces, with the exception of APUANIA. Robberies continued to be prevalent, however, and the robberies recently reported involve foodstuffs. In APUANIA E.N.D.C.I. Depots were robbed and in PISTOIA food store thefts became a real problem. P.S. Agenti functioned in some provinces better than others, obviously according to the efficiency of the Questore, but they lacked proper police training and arms. The C.C.R.R. showed marked improvement in its proper functioning, but increased personnel was required in PISA, LIVORNO, APUANIA and SIENA. The prison, however, in the City of LIVORNO was not only dreadfully overcrowded, but dirty, unsanitary, and poorly managed. All protestations and advice were unavailing.

49. Unemployment caused unrest in some of the provinces and orderly demonstrations by those out of work were held in the Provinces of LIVORNO, LUCCA, PISA and AREZZO. The unemployment situation improved in SIENA and in FLORENCE and LIVORNO the numbers of unemployed were high, but not either serious or higher than during February or March. The situation in APUANIA, PISA, AREZZO and PISTOIA became worse all the time but an improvement was looked for in LUCCA with the start of a new public works programme. Returning POWs affected labour, and were often found to be the ring leaders in detrimental agitation. Apparently, as Allied Prisoners, they were spoiled with too little work and too much to eat, and now expect similar treatment in civil life.

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

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LIVORNO LIAISON GROUP

47. Since April 7th, the date of the last local administrative election, a marked tranquillity existed in TOSCANA politics. Meetings continued to be held, but these, for the most part, were of small groups planning strategy for the Constituents elections. That the month of May will bring forth an intensive campaign, there can be little doubt. However, no serious disorders are anticipated during the campaign, nor at the polls on June 2nd, in this Region and there existed an unexpected and unusual cordiality amongst the various party adherents. Local government administration was good.

48. An improvement in law enforcement was reported throughout the Region and a decrease of all types of serious crimes was noted in all of the provinces, with the exception of AREZZO. Robberies continued to be prevalent, however, and the robberies recently reported involve foodstuffs. In AREZZO E.N.D.S.I. Depots were robbed and in PISTOIA food store thefts became a real problem. P.S. Agenti functioned in some provinces better than others, obviously according to the efficiency of the Questore, but they lacked proper police training and arms. The CC.RR. showed marked improvement in its proper functioning, but increased personnel was required in PISA, LIVORNO, AREZZO and SIENA. The prisons, however, in the City of LIVORNO were not only dreadfully overcrowded, but dirty, unsanitary, and poorly managed. All protestations and advice were unavailing.

49. Unemployment caused unrest in some of the provinces and orderly demonstrations by those out of work were held in the Provinces of LIVORNO, FLORENCE, PISA and AREZZO. The unemployment situation improved in SIENA and in FLORENCE and LIVORNO the numbers of unemployed were high, but not either serious or higher than during February or March. The situation in AREZZO, PISA, AREZZO and PISTOIA became worse all the time but an improvement was looked for in LUCCA with the start of a new public works programme. Returning POWs affected labour, and were often found to be the ring leaders in detrimental agitation. Apparently, as Allied Prisoners, they were spoiled with too little work and too much to eat, and now expect similar treatment in civil life.

50. In general, the over-all agricultural situation appeared satisfactory and the people were optimistic on the success of this year's crops of every description but there was a complaint from every Tuscan province, because of the lack of promised fertilizer. The existing cereal supply should last through the ensuing month; sugar is scarce and in most provinces was issued only to the sick and aged, and for children. Oil was scarce in AREZZO, PISTOIA, PISA and LIVORNO: insufficient distribution seemed to be a partial cause. However, meat, fish and green vegetables were available in fairly large quantities although they were too highly priced. Food prices were exhibitantly high and available unrationed foodstuffs were beyond the reach of the very poor who need extra nutrition the most; prices of living necessities, other than food, while very high, continued on the decline. The black market flourished mostly on foodstuffs, bread being readily

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

obtainable at 120 lires per kilo - proof of lax amassing. Oil was always obtainable, also at outrageous prices.

51. Commercial establishments showed initiative, enterprise and confidence, and appeared to be on the road to a successful recovery. Many industries began to thrive, but generally lack of raw materials, operational space, and funds jeopardized a normal development of reconstruction and rehabilitation.

52. Public works progressed and results were noticeable, water supply was sufficient and in fact quite normal except for LIVORNO. Electricity was also sufficient except in LIVORNO and APUANIA. The people of LIVORNO protested that the Allied troops and German POWs used too much of their limited supplies of water and electricity.

53. Transportation and communications were both still a long way from normal, but obviously improving although coal shortage had reputedly curtailed railroad traffic, and industrialists in APUANIA complained of insufficient railway wagons.

54. Complaints were general regarding lack of hospital supplies but the state of public health was good, although T.B. continued on an upward trend.

55. Many Displaced Persons passed through FLORENCE and LIVORNO, but they are constantly decreasing in numbers.

56. General opinion seemed to be that the Italian Courts functioned efficiently but too slowly and there continued to be dissatisfaction on the part of Allied Officers with the manner in which cases involving Allied interests were handled in the Italian Courts. Investigation disclosed that this dissatisfaction and resultant criticism, was due to a misunderstanding of the powers of the Court under existing Italian law. Certain offenses under Allied Proclamations are not offenses in the same light under the Italian Penal Code. This is particularly so insofar as possession of military property is concerned, the mere possession not being a crime under Italian law. It was noted that where an Allied accusation comes within the Civil Code, and where the Allied witness appears and offers testimony so that the required evidence proves the guilt of the accused, the Italian penalties have been generally stiffer than they would ordinarily have been in the previous Allied Military Courts.

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

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5163

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

BARI LIAISON GROUP. (covering the area of APULIA and MARCHE).

57. The discussions and decisions of the Paris Conference together with the Russian demands in regard to the Italian Fleet and indemnities had a very depressing effect on the people, and a lowering of morale was evident. However in spite of this the pre-election atmosphere became keener every day and party convocations were almost a daily affair. The leaning appeared to be strongly towards a Monarchy. The Leftist Parties, particularly the Communists, lost ground and the popularity of the Uomo Qualunque increased considerably.

58. Disorders continued to break out in different towns such as NARDO (Lecce), GALATONE (Lecce), TARANTO, BRINDISI, TORRE SANTA SUSANNA (Brindisi) and SAVA near Taranto; these disorders were mainly due to unemployment of the "Reduci" and demonstration against the black marketeers. In all cases the CC.RR. soon had the situation under control. Public opinion of both CC.RR. and Civil Police was favourable and morale in these forces improved accordingly.

59. The prospects of a good grain crop were very bright. There continued to be a lack of fertilizers but there was an adequate supply of fresh vegetables and cereals and a bumper harvest is expected. Swarms of locusts made their appearance in many small towns in the area, but prompt action on the part of the local authorities soon had the situation under control. Four ships containing 146,610 quintals of wheat arrived in BARI during the month and there was sufficient grain in stock to last until the 29th May. All children under 14 years of age received a free ration of 500 grams of sugar, but evaporated milk for children fell far short of requirements. Prices of clothes and household commodities showed a decrease although food prices remained unchanged. Shops appeared to flourish everywhere with no lack of customers in spite of the high prices.

60. Derequisitioning continued and a total of 47 warehouses, schools and other premises were derequisitioned during the month. Courts still functioned slowly - due to the shortage of magistrates on the Tribunals.

61. Freight traffic increased and the number of passengers carried steadily rose. There was a marked improvement in the situation in regard to tyres and tubes for road transport which were supplied from the Pirelli Factory Milan. The owners of cars and trucks made strong representations to be given permits for free circulation but were told that there were far more urgent calls to be met before pleasure trips could be indulged in.

62. There was a very large number of unemployed "Reduci" and the number increased as repatriated POW arrived in the country; the situation gave cause for anxiety. The Central Government granted necessary financial help to this Province, but the projects had not yet materialised. Some 300 "Reduci" were given employment in Public Parks and local Authorities did what they could to find them employment. It is thought that local Authorities will be kept up to the mark in this respect as the "Reduci" are continually staging demonstrations and sending deputies to interview the Prefect and Sindaci.

63. The Central Government granted a subsidy of 540 million lire to the "Acquedotto Pugliese" and there was normal activity in re-construction throughout the Provinces. Some of the bad roads were at a long last receiving attention, on the whole the main roads were in excellent condition.

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

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64. Public Health was satisfactory, though a further 23 cases of small-pox were reported during the month. There was a serious shortage of disinfectants and quinine.

65. No. 1 Displaced Persons Camp at BARI was being handed over to UNRRA and the handing over is expected to be completed about the middle of May. During the month 367 Displaced Persons arrived in the Camp and 291 left the Camp at BARI.

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

SICILY LIAISON GROUP

66. There was little change in the general situation. Demonstrations during the month were on the whole short lived and without incident and the elections proceeded in an orderly fashion. All parties intensified their propaganda activity, the Communist Party being especially active in the organisation and preparation for elections. Student groups carried out organized but orderly demonstrations, the subjects being Trieste and the Institutional issue.

67. Security, law and order, on the whole greatly improved. Incidence of ordinary crime in the PALERMO Area seemed high, but was not considered alarming by the local authorities. Strikes and demonstrations generally were conducted in an orderly fashion .

68. Food shortage and prices continued to be the main source of complaint. Several strikes by different groups and categories of workers resulted in some adjustments and wage agreements. The local authorities expressed possibilities of serious disorders and riots if the cost of living continued to rise and the food shortages, notably pasta, could not be supplemented. There was some improvement in the unemployment situation due to an increase in public works in the PALERMO district, mainly road and utility repairs. Returned soldiers did not appear to be particularly interested in manual labour; however, there was no island wide agitation.

69. The general picture as regards health was satisfactory, and repairs to water mains reduced the danger of contamination.

BOLOGNA LIAISON GROUP. (EMILIA Region)

70. Following the holding of the administrative elections, political activity became less intense. Even the success of the left wing parties did not cause any increase in the activities of the right wing and moderate parties, and apparently the Socialist and Communist Parties, satisfied with their success, were content to rest on their laurels. The general consensus of opinion, however, was that this was a superficial calm. The meeting of foreign ministers in Paris evoked much interest, while the proposals made by the British Foreign minister caused some dismay and resentment. The general opinion was that the Allies are not keeping their promises of generous treatment to Italy and do not recognise the aid given by Italians to final victory; the more philosophic have the view that Italy lost the war and so must be prepared to pay. Resentment was shown in the attitude of the people who were inclined to increase their air of somewhat anti-Allied sentiments. Even the well-to-do admit why the Allies did not get out of Italy and leave her in peace. Summed up briefly, the extremists feel that they would have a freer hand if we left, while the others feel that we are doing nothing to prevent Communism. A serious state of affairs came to light in the Questure at REGGIO EMILIA during the month: a Lieutenant employed as an auxiliary agent was dismissed, he then called a meeting of the auxiliary ex-partisan elements and told them that on the 2nd June they would not take orders from the Prefect or Questore but from a "special commission to be set up by the Communist Party". Provincial administration continued to be satisfactory, but the new corps Prefects state they have some difficulty and opposition because they do not follow the policies of their political predecessors. There was no change in the financial position of Communes.

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

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

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71. During the month of April there was little change in the situation with regard to crime and public order, murders, armed robberies, and cases of extortion continued unabated. There were 11 murders and woundings for political reasons, 6 murders and woundings for non-political reasons, 86 armed robberies and attempt and 24 arrests for these types of crime. Steady improvement in the work of the Carabinieri was noted. Unfortunately, this force was badly under strength. It was noted that the Press and even public officials, consistently attack the force whenever arrests of ex-partisans are made, even for such serious offences as murder and robbery. The Questure as police agencies were worse than useless, all being riddled with the infiltration of undesirable, untrained and violent elements. There were no serious demonstrations during the month. The prison situation showed little or no sign of improvement, five minor breaks or mutinies being reported in [illegible] and BOLOGNA.

5162

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

72. The grain situation became more acute in the Region and decrees, ordering the cmussing of 6% of producers ration, were issued. There were signs that private stocks of grain and flour were becoming exhausted, and the amount of black market bread is getting steadily less; supply of fats from LEGHORN was held up by maladministration. Shops were full of other forms of food but prices have risen again and it was reported that the turn over of such shops was limited. An order was issued that only bread for the day concerned would be distributed as many people have used their bread ration cards for May and June. It was reported however, that bakers were afraid to comply with this order. Industry was, if anything, in a worse state than before owing to lack of coal and raw materials. There was also a great reluctance on the part of business men to buy in the present unsettled state of the country. It was stated that all pending allotments of coal were suspended and the small amount of coal available was distributed only to industries of importance. Many brick-kilns and cement plants were, as a consequence, practically idle. Unemployment increased, due to the number of "reduci"; this is undoubtedly becoming a major problem; some demonstrations, all quite orderly, were held and more can be expected. Agriculture work proceeded satisfactorily and recent rains increased the prospects of a good crop.

73. Public works projects were carried forward where possible, but delays were caused by shortage of materials, obstruction by some Chambers of Labour and the tardiness of the release of funds by the Provveditore Regionale alle Opere Pubbliche. The supply of water was adequate and electricity improved, but with the advent of the hot weather, this improvement may not be maintained. There was some shortage of copper. No increase in the supply of gas was possible owing to shortage of coal.

74. In camps in this Region, 560 persons entered and 671 were evacuated. On the 20 April there were 1,698. The health of the camps during the month was excellent; the epidemic of measles in Reggio No.43 subsided and there were no deaths. Chief disease found, except for minor ailments, were T.B.C. and venereal disease; it became increasingly difficult to find beds for tubercular refugees in Italian Sanatoria. The public health in the Region remained good, and no epidemics were reported during the month. A slight improvement in all spheres of Transport and Communications was noted but there continued to be a shortage of P.O.L.

BOLZANO LIAISON GROUP

75. On the surface the decision from Paris was calmly accepted by the South Tyroleans, but there were indications of resentment, which, it was believed, would increase and might be accompanied by outbreaks of violence. The Option Commission (a locally organised body) submitted its recommendations to the Prefect and its members agreed that Italian citizenship should be granted to all those optants who had remained in the country whether they had received emigration papers or not. There were certain categories, still under discussion, to be excluded from Italian citizenship. The Commission recommended that certain optants now in Germany should be allowed to return to the Province. A decree defining this complex question is expected at an early date and it was stated by the President of the South Tyrol Party that the German speaking people were satisfied with the conditions. For a time the unruly elements in the South Tyrol Party were gaining the upper hand but this subsided and the situation is in hand. A group of South Tyroleans holding moderate views were trying to create a political front in opposition to

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

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

76. Security throughout the Province was satisfactory; the C.C.R.R. were working well and apart from the murders there was little crime. Frontier control was not satisfactory during the month as the French Authorities were rather light-hearted in the issue of passes into Italy. This matter was taken up with the head of the French Security, who promised to abide by the regulations and it is hoped this control will now be more satisfactory.

77. Following a visit to ROME by the Chamber of Commerce of BOLZANO, decisions were obtained to supply surplus food stuffs to the British Army in Austria. It was understood that efforts were being made to obtain the same facilities for American Troops who meanwhile are excluded from this arrangement.

78. There was sufficient grain and flour to last only to the middle of May, but this was being rectified by the provincial UNRRA representative, who borrowed grain from other Provinces to make up the deficiency in BOLZANO. Apart from this the food situation throughout the Province was most satisfactory.

79. There were 2,500 unemployed shown in April as compared to 2,000 in March. Reports were received that public appointments were filled by Italians to the detriment of the South Tyroleans. In one Commune the number of Italians holding such appointments was nearly double that of the Tyroleans.

80. General health was satisfactory and a wagon load of medicines arrived in BOLZANO. Displaced Persons from Camp No 23 numbered 314 Germans, 27 Austrians, and 38 others; authority to repatriate them was urgently awaited. The Italian Red Cross repatriated some 47 families to Germany in the Red Cross train which left Verona on the 20th of April. These families were selected by the Medical Officers on the grounds that further detention was detrimental to their health.

81. Conditions in hydro-electric works was satisfactory; there was however, a shortage of raw material in the Industrial Zone with the result that full output could not be effected.

REGION OF ABRUZZI AND LAZIO. (This covers the area of the eleven Provinces of ANCONA, ASCOLI, CHIETI, FROSINONE, LATINA, RIETI, PESARO, PERUGIA, RIETI, ROME, TERNI and VITERBO).

82. Party activity increased due to the impending national elections and prefects throughout the area appealed to local political leaders to ensure respect for freedom of opinion and the maintenance of public order.

83. No disturbances or disorders were reported during the month and law and order showed a slight improvement as did the organization of police forces. Shortage of petrol was a serious disadvantage to police agencies greatly hampering their mobility and in the Province of RIETI stations were seriously understaffed.

84. Cost of living showed an increase of 10% over the period January to March. The bread ration of 200 grams was maintained throughout the month and distribution of other rationed foods averaged the same as last month. The order for the conferring to the "Ammasi" of 6% of cereals which producers had previously been allowed to retain for their own consumption was strictly enforced and gave

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80. General health was satisfactory and a wagon load of medicines arrived in BOLZANO. Displaced Persons from Camp No 25 numbered 814 Germans, 27 Austrians, and 38 others; authority to repatriate them was urgently awaited. The Italian Red Cross repatriated some 47 families to Germany in the Red Cross train which left Verona on the 26th of April. These families were selected by the Medical Officers on the grounds that further detention was detrimental to their health.

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5161

85. The recovery of industry continued to be hampered by lack of raw materials, electric power, transport etc., and the situation deteriorated owing to the hold up in coal imports. There was no improvement in the unemployment situation. Public Works schedules were carried out in all Provinces while public utilities showed a further slight improvement, particularly in ROME.

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

86. Public Health was generally good although in the Province of TERNI the measles epidemic continued, 423 cases out of 511 being in the city of TERNI. 72 cases of measles were registered in VITERBO while 2 cases of small-pox, imported from RIETI were registered in FROSINONE.

87. Railway functions were curtailed somewhat due to a shortage of coal.

ROME CITY AND PROVINCE

88. Public opinion during the month focussed particularly on the Abdication of Victor Emanuel III and the political tension for the forthcoming elections was high. The Paris conference attracted much attention and anxiety was felt over the revised armistice terms and the lack of agreement between the 3 Big Powers. However, generally speaking, the feeling was that the contributions made by Italy to the Allied Cause and the widespread destruction of the country would not be ignored and confidence was voiced in the Allied sense of justice.

89. Public safety was satisfactory due to the general efficiency of the Police Forces. The number of larcenies was considerably lower than in previous months and cases of juvenile delinquency decreased. The need for automatic weapons and ammunition continued. Morale of the police forces was low owing to the small wages and high cost of living, discontent being mainly due to the inequality between allowances granted to the Civilian Staffs of other government branches and those of the Police, the latter in addition being constantly exposed to considerable risk and danger. The position was considerably improved by a sizeable allotment of uniforms.

90. The economic situation deteriorated; money was scarce and the Government's policy to quell inflation drove the steady-income categories into ever increasing sacrifices. The cost of living rose during the month due to news and rumours of the serious situation as regards the wheat supply.

91. The industrial situation was difficult due to lack of raw materials and coal; the actual allotment of coal is too low to effect recovery on any large scale.

92. Farming activities progressed satisfactorily and a good cereal crop is anticipated. Much doubt was expressed as to the system of control of threshing machines and it was also felt that the Government price offered to farmers for wheat was much too low to be an inducement for them to bring their grain to the Ammasi. Recent rains improved the crop outlook considerably. Mowing was hindered because of the tardy distribution of POL due to a strike of the Petrol Workers. A good crop of potatoes, corn, rice and beans is forecast. Livestock within the Province showed an increase compared with 1944 figures and it is estimated that in 1947 sheep raising will average the 1939-40 figures. Breeders do not slaughter heads under two years but retain them for breeding purposes.

93. The stock exchange after six months decrease showed a brighter tendency and stocks began to gain quotations. The most active branch was the textile trade but an optimistic outlook was maintained for all industries. The rates on the official market for dollars and sterling rose and it was the general opinion that an increase in the price of wheat might bring about a general

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

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90. The economic situation deteriorated; money was scarce and the Government's policy to quell inflation drove the steady-income categories into ever increasing sacrifices. The cost of living rose during the month due to news and rumours of the serious situation as regards the wheat supply.

91. The industrial situation was difficult due to lack of raw materials and coal; the actual allotment of coal is too low to effect recovery on any large scale.

92. Farming activities progressed satisfactorily and a good cereal crop is anticipated. Much doubt was expressed as to the system of control of threshing machines and it was also felt that the Government price offered to farmers for wheat was much too low to be an inducement for them to bring their grain to the Ammasi. Recent rains improved the crop outlook considerably. Mowing was hindered because of the tardy distribution of POL due to a strike of the Petrol Workers. A good crop of potatoes, corn, rice and beans is forecast. Livestock within the Province showed an increase compared with 1944 figures and it is estimated that in 1947 sheep raising will average the 1939-40 figures. Breeders do not slaughter heads under two years but retain them for breeding purposes.

93. The stock exchange after six months decrease showed a brighter tendency and stocks began to gain quotations. The most active branch was the textile trade but an optimistic outlook was maintained for all industries. The rates on the official market for dollars and sterling rose and it was the general opinion that an increase in the price of wheat might bring about a general increase and therefore a further devaluation in the Lira.

94. Unemployment figures showed an increase due to inactivity of the building trade which in turn was due to the high cost of raw materials. The ranks of the local unemployed were swelled by numerous refugees from the colonies, Greece, Roumania and other countries, these latter being billetted at Cinecitta. The recent France-Italian agreement on the shipment of Italian workers to France raised the hope of future emigration, at least within Europe.

95. The recent reactivation of several tram-lines in the city was greeted with satisfaction by workers who had found transportation an expensive item. The electricity and water supply also improved. There was confidence that all school buildings might be derequisitioned before next year thus permitting full use.

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

96. General health was good and there were no occurrences of an epidemic of contagious nature. Medical supplies were inadequate.

A.M.G. VENEZIA GIULIA

97. All political parties showed increased activity and the population generally was more confident regarding the outcome of the Peace Treaty. The Communal elections for 66 Communes held during the month showed the Christian Democrats to be in the lead followed by the Republican Concentration and with the Communists 5th down the list. The latter were obviously disappointed with the results which were undoubtedly due to the Pro-Slav tendencies of certain of their leaders and the opposition by the women voters to Communist principles. It was felt that a divorce of Socialists from Communists was imminent. The Allied Boundary Commission completed its survey of the Eastern part of the Province on the 2nd April, 1946, without incident, and was everywhere received with cordiality, though many expressed surprise at their visit to a territory which has been repeatedly described as not in dispute. The anniversary of liberation was celebrated by a Mass Meeting of ex-partisans in the Castle grounds on 25th April, 1946. Speeches were on the whole moderate and the conduct of the crowd then and throughout the day was very orderly. Statal and para-statal employees commenced a strike on the 5th May, for an increase in the "carovita" allowance. The possibility of VENEZIA GIULIA, where a higher allowance has been authorised, was partly responsible for this, but Left-Wing political influence was contributory factor. Some of the grounds for complaint were the different conditions in VENEZIA GIULIA where statal employees received higher wages, an inner zone of occupation exists and where there was speedier approval of Public Works thus relieving unemployment. It was also felt that in this Province there was a lack of appreciation of accommodation difficulties in devasted areas combined with military requisitioning which led to extortionate demands for civil accommodation. Public opinion continued to be preoccupied with high prices and inadequate wages, particularly amongst black-coated workers and requisitioning of the resources of the Province gave rise to many unfavourable comments against the Allies as did the alleged bad treatment of POWs.

98. No serious disorders of any kind occurred during the month although there were a few minor unemployment demonstrations, and in general, public safety conditions in the Province reached a very fair standard which could be improved by an increase in the strength of CC.RR. The improvement in morale and efficiency of Police Forces was maintained and there was only one murder and seven robberies during the month. Automatic arms, pistols and items of clothing were still required for the police services although some uniforms and equipment did arrive. Transport allotted by 13 Corps contributed greatly to the improvement in efficiency. Demands for higher wages were put forward by Guardia di Finanza and Questura agents and they also asked for better facilities for the purchase of adequate civilian food rations. Repair work in Udine gaol was hastened which should improve internal security, sanitation and abnormal housing conditions. General Order No. 1 resulted in the surrender of only 14 rifles and 39 cartridges.

99. Lack of an adequate supply of coal and tyres gravely hampered normal progress. 3,300 tons of coal were received, minimum requirement being 6,000 tons a month. Unemployment was over 50,000, largely due to the delay in approval and financing of public works projects, and emigration was more fervently desired as a solution to the unemployment problem. ...0. Austria repeatedly asked for Italian labour, which was available and the Italian Government have

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

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

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5160

100. Food prices continued to be very high, but regular distribution of rationed foodstuffs proceeded with the exception of sugar of which no allocation was received during the month, a great disappointment to the people at Easter. Hospital patients and other special classes received normal supplementary rations as did all heavy workers. There was no change in the Armand figures but recent deliveries of fertilizers assisted agricultural prospects. Vines showed no signs of disease but fruit trees were infested with aphides, although otherwise they showed good promise. A census of livestock was completed and over 600 head distributed to other provinces. Except for foodstuffs, prices began to show a decline

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

101. The cash position of the Bank showed an increase of a quarter of a million lire on last month's figures; statal, para-statal and communal financing continues normally. The Cassa di Risparmio deposits show approximately 100% increase since the Council was formed and a new director assigned. A renewed confidence in the banks was noticed amongst the population generally during the past six months

102. During the month a total of 4,456 refugees passed through the Centre, of which 1,152 were aliens. Half of the Italian were ex-POWs, many of whom came from Russia. The Communists attempted to win their confidence on arrival, but had a nasty shock when they were repulsed by the ex-POWs who were promptly styled "Fascists" by their would-be friends.

103. The Minister of Post War Assistance helped considerably since his visit to the Province, and allotted a further 25 million lire for the relief of devastated areas. Some 60,000 American blankets were received and were being distributed on a priority basis and CAO medical supplies also received during the month were distributed. The health of the Province continued to be good.

104. P.O.L. was insufficient to meet requirements and the tyre situation got steadily worse. Total quantity of goods carried was Qli. 166,605 over 582,476 kilometres. A total of over five million lire was deposited with ATA/I ACC Rome for sales of ex-enemy vehicle scrap.

105. Italian Courts worked satisfactorily. 22 cases were tried by the special session of the Court of Assise, 9 cases were dismissed leaving 120 for trial Only seven cases were tried by AMG Courts.

AMG VENEZIA GIULIA.

106. Political activity continued at high pressure during the month though the departure of the Four Power Commission on April 8th was followed by a short period of calm.Italian elements showed signs of increased confidence, mainly as a result of the success of their March demonstrations. Pro-Slav propaganda intensified its efforts and the spirits of its supporters were revived by a campaign against the civil police and AMG. However, Pro-Slav elements showed signs of internal domestic trouble which the resignation of the President of the Slav Union did nothing to conceal. Attempts to induce voluntary restriction of the number of persons entering zone "A" from zone "B" for the May Day celebrations caused intensified attacks on AMG from the Jugoslav adherents. The news of the deadlock in the meetings of Foreign Ministers did not cause surprise but hopes were cherished for the reopening of the discussions and the reaching of an agreement.

107. All reports, statistical and otherwise, indicated a further improvement in the public safety situation in Zone "A" this month , attributable in a major degree to the increased activities of all ranks of the Venezia Giulia Police Force. Satisfactory progress was maintained in improving the efficiency, morale and general welfare of the Force and in this connection much was owed to the Allied Military authorities for their continued support and assistance. Following intensive examination before Selection Boards, 30 serving Guards and NCOs of the VGPF out of a total of 130, entered an Officers' Training Course in TRIESTE on 23 April 1946. There were a number of incidents arising out of "differences of opinion", some cases of intimidation of V.G. Police and, although to a lesser degree

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

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

108. Normal rations were distributed during April with the exception of pasta and fats which had to be cut due to non-availability. Deficiencies, however, will be made up for in May. Edible salt stocks will last approximately 2 months and the Venezelio authorities were asked to renew their monthly shipments. In order to counteract high restaurant prices discussions were being held with a view to setting up popular restaurants at controlled prices. Cooperation of some of the more public-spirited restaurant owners was being sought. The harvest for VENEZIA GIULIA still depends on rainfall, but given a fair break in the weather the crops will far exceed last years production. This is due to the larger acreage planted as well as better natural conditions and a good start this spring. The fruit trees blossomed well, and despite some vandalism, a good crop is expected. Last year the quota for the Territory was 10,000 quintals of wheat, of which 12,000 quintals was harvested. This year the quota has been set at 20,000 quintals and might be exceeded. Italian rationing decrees will be followed here, modified only in such manner as to encourage voluntary consigning of the wheat. Bonificas in the MONFALCONE and CARSO area were under way, and vast tracts of land never cultivated and now under water will be drained and brought into production. Much of this land will be ready for fall planting. As the season progressed catches of fish increased daily, and the food supply of the Territory was augmented in proportion. Although canning has not yet got under way, due to lack of cans and olive oil, this handicap helped the general supply on the market, resulting in prices dropping again this month.

109. A total of 14,527 tons of shipping were received during the month and 34,136 tons were transported by rail. The sharp decrease from figures of March were due to a drop in the coal imports from U.S. because of the coal strike there. A total tonnage of 39,519.2 was transported by road by civilian vehicles (auto-trasporti) and AMG Truck Pool vehicles carried 4,666 tons. The great increase in local movement was accounted for in the tremendous increase of work being done by Genio Civile under Public Works contracts.

110. There was less unrest among industrial workers and General Order No.106 unblocking the dismissal of surplus workers was accepted without any outward signs of serious opposition. Nevertheless it is known abroad that political influences were having an adverse effect on output and orders were more difficult to secure in consequence. Large industries depending upon supplies and markets outside Zone "A" made slow progress but medium and small industries steadily improved. One large industry showing improvement was the Cotonificio Triestino of GORIZIA which increased to 76% capacity. Good progress was made with Port Reconstruction. The distribution of the cloth made at the Cotonificio from the first 800 imported bales of cotton proceeded slowly and 12 million lire worthof goods were taken over by wholesalers to date out of a total of 400 million lire worth of cloth made or to be made out of the first and second lots of cloth to be delivered. A total of 16,304 tons of coal arrived during the month. With the break in the weather, the roads and bridge programme picked up and is now proceeding at its maximum. On this programme alone there were in round numbers 2900 men working, a big increase from the 500 during the winter months. MONFALCONE Commune employed nearly 900 men on the roads. The building supply position was very good, the territory being now able to produce about 90% of all its needs. It is hoped that by the end of June it will be possible to unblock all construction supplies. All Divisions concerned with the rehabilitation of the Area, especially Industry Division, were actively engaged in preparing a programme designed to give added employment, and to get industry started back to its normal pre-war production. Most surveys showed that

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111. General health continued to be very good except for an outbreak of measles at GORIZIA. About 50 tons of drugs and dressing arrived during the month and a quantity of captured enemy supplies, mainly laboratory equipment, formerly the Marine Hospital Pola, was taken over and given to the Hospital at Rovigno. There continued to be a good deal of political intrigue among the hospital staff in TRIESTE where personal animosities accentuated by Party bias were apt to interfere with medical administration. The Ente Comunale di Assistenza continued its welfare activities. The Red Cross's work increased rather than decreased, due to the

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

5159

fact that many ex-internees, POWs etc., have returned home and because the recent unblocking order has been put in effect. ECA's estimated quarterly budget showed an increase of about 7,250,000 lire. The number of war orphans enlisted in the Opera Orfani di Guerra was 2,000 and a plan for the appointment of local civilian representative of this organization in each Commune of Trieste, was under consideration.

112. The increase in movements of Displaced Persons noted during the last few months was maintained during the month of April: 1573 entered and 1524 were evacuated. The responsibility for payments to Greek and Czech nationals will be undertaken in the very near future by their respective Governments. British nationals are already being paid by arrangements with this Division from British Foreign Office funds. Attempts were made during the month by Jewish nationals to enter the Territory illegally in order to get to PALESTINE. These persons were ultimately despatched to Displaced Persons Camps in ITALY and all have now left VENEZIA GIULIA.

113. The cost of living index figure in North ITALY was increased to 130, and the question of amendment in VENEZIA GIULIA was under consideration. Owing to the lack of security in the Port, Insurance Companies were refusing to insure goods, and this constituted a serious matter.

114. In the Summary Courts during April 1946, a total of 82 accused were tried on 89 charges. These figures compare with 518 accused on 546 charges in March 1946. The comparatively small number of cases in the Summary Courts in April was further due to the large number of cases transferred to Superior Courts and consisted mainly of the cases arising out of the demonstrations at TRIESTE and GORIZIA in the latter part of March. This was reflected in the increase of Superior Court cases, which were greater than in any other month due to the fact that all cases arising out of the demonstrations at TRIESTE and GORIZIA were disposed of in Superior Courts. During April 1946, Superior Courts disposed of cases involving 139 accused as compared with 53 in March and 214 charges as compared with 53 charges in March. No General Court cases were tried during the month of April. The Ordinary Civil Courts continued to function with reasonable satisfaction although the problem of adequate personnel was a cause of some concern.

115. Labour Agencies worked satisfactorily in the face of many handicaps but unemployment in the Territory was on the upward trend. The records at TRIESTE, GORIZIA and POLA showed an increase of nearly 2,000 men, 1,200 women and 300 juveniles. This increase would have been more marked if Public Works had not catered for another 3,000 workers. When the gradual unblocking of dismissals becomes effective, figures are likely to increase further unless even more Public Works projects are provided. The margin between wages and cost-of-living is gradually narrowing down and though it is quite correct to say that the gap is still marked, the sweeping statement of the Sindacati Unici that living costs were higher in TRIESTE than in other North Italian Regional Capitals is quite unfounded. Only one strike (and that of a political nature) was staged during April. An attempt by the Sindacati Unici to organise an Industrial agitation over the promulgation of General Orders 105 and 106, blocking and unblocking dismissals, proved a complete failure. There is every indication that the gradual unblocking of dismissals should prove effective and no serious repercussions on public order are expected.

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

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116. The Month of April was a quiet one as regards the schools of the Territory, and the political situation remained stationary. School administration functioned smoothly except for minor political incidents which occurred in both the Italian an Slovene schools. In all towns and villages the work of reactivation of school buildings continued and the number of school buildings being requisitioned increased. On 10 April the 6 Months Training Course for the preparation of Slovene elementary school teachers was started and proved very popular.

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

On 11 April the Division, through its "Sovrainterderze Scolastiche" started the distribution of the newly printed 4th and 5th Class elementary school reader - "Slovensko berilo" but the school section of the PWOC is placing considerable pressure on teachers, parents, and even children not to purchase this text book. In TRIESTE alone where it was estimated 2,000 books would be distributed only 200 have been purchased. The possibility that Allied Military Government will have to subsidise this text book is being planned for, and the number of schools to be officially recognized may have to be decreased. Both the Slovene School Inspector and the Superintendent of Schools of GORIZIA have received anonymous intimidatory letters threatening death for treason to the Jugoslav cause. Strong opposition to our Slovene Schools, including intimidation of teachers, is reported at DOBERDO, SESANA, S.PIETRO DEL CARSO, in the district of AURISINA, in the towns of DOMBERG, GRADISCHE and above all at SALCANO - suburb of GORIZIA - where the teaching of religion in the elementary school is opposed by the Communist leaders of the Community (this Community is almost 100 percent Communist). In the same manner, religion has been taken out of the school syllabus at PLAVIE near MONFALCONE. A thorough inspection tour of all Slovene schools is now in course in order to establish which ones are to be granted recognition for having functioned within the established Allied Military Government directives and according to the proper Programmes of Studies. The University of TRIESTE functioned regularly and other institutions of higher learning conducted their work quite satisfactorily, though hampered as usual by restricted premises and shortage of laboratory equipment of which much was taken by Jugoslav and German occupation troops.

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

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5166

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

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

PART II

CIVIL AFFAIRS SECTION

LOCAL GOVERNMENT SUB COMMISSION

1. The official figures for the 115 Communes which voted according to the proportional representation system showed a definite majority for the Left (2,138,983 votes; 2,834 seats) followed by the Centre (1,673, 844 votes; 2,152 seats). It was noted that out of an electoral roll of 5,064,150 over 80% exercised their vote. Seats won in all 5,729 Communes including those 115 voting on the proportional representation system were:- Left 43,550 seats; Centre 47,062; Right 3,148; and Others 12,513 seats. Only 3 communes did not have their electoral lists ready at 30 April. The Ministry of the Interior had taken special steps to insure that these lists were ready in time for the national elections. The above figures do NOT include VENEZIA GIULIA and the Province of BOLZANO. The Italian Government has not yet appointed the Special Commission which has to decide on the cases of German speaking inhabitants and their right to be registered as electors. For this reason, the Province of BOLZANO cannot participat in the national elections on 2 June. Copies were received of two communiques issued by the Italian Government on 5 and 8 March as to steps taken to ensure the use of German as well as Italian in schools, courts, public offices etc. and as to local discussions for working out a scheme of autonomy. Copies of these communiqu were forwarded to the British and United States Governments through the Embassies.

LEGAL SUB-COMMISSION

2. In VENEZIA GIULIA the ordinary Civil Courts continued to function with reasonable satisfaction although the problem of adequate personnel was a cause of some concern. LIVORNO reports showed an effort by Italian Courts to cooperate in those cases involving Allied interests and a general improvement in the entire zone as to criminal situation was noted. The work of reviewing the cases of all persons confined in prisons progressed steadily.

PUBLIC HEALTH SUB-COMMISSION

3. The position regarding communicable diseases in Italy during the month was extremely satisfactory. The only diseases requiring notification were small-pox and poliomyelitis. Small-pox showed a sporadic incidence, only isolated cases appearing throughout the country, with the exception of the Province of BARI, where a small outbreak comprising 39 cases occurred. In the Province of NAPLES the number fell from 18 in March to 10 in April. The greatest number of cases of poliomyelitis reported during the month was 5 from the Province of FIORENCE, while the total for the whole of ITALY was 40. The infant mortality rate for NAPLES Comune for the month of March showed a considerable decrease compared with the February figure, being 66.9 as against 84.3. In the same Comune deaths from all forms of tuberculosis declined from 312 in February to 188 in March.

PUBLIC SAFETY SUB-COMMISSION

4. Generally, the month was reasonably good both from the point of view of serious crime and public order, apart from a determined attempt by the inmates of the prison in MILAN to overpower their guards and escape, and a case of stealing a truck load of hand grenades and other explosives from a dump of munitions at

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

[illegible] to 30 April. The Ministry of the Interior had taken special steps to insure that these lists were ready in time for the national elections. The above figures do NOT include VENEZIA GIULIA and the Province of BOLZANO. The Italian Government has not yet appointed the Special Commission which has to decide on the cases of German speaking inhabitants and their right to be registered as electors. For this reason, the Province of BOLZANO cannot participate in the national elections on 2 June. Copies were received of two communiques issued by the Italian Government on 5 and 8 March as to steps taken to ensure the use of German as well as Italian in schools, courts, public offices etc. and as to local discussions for working out a scheme of autonomy. Copies of these communiques were forwarded to the British and United States Governments through the Embassies.

LEGAL SUB-COMMISSION

2. In VENEZIA GIULIA the ordinary Civil Courts continued to function with reasonable satisfaction although the problem of adequate personnel was a cause of some concern. LIVORNO reports showed an effort by Italian Courts to cooperate in those cases involving Allied interests and a general improvement in the entire zone as to criminal situation was noted. The work of reviewing the cases of all persons confined in prisons progressed steadily.

PUBLIC HEALTH SUB-COMMISSION

3. The position regarding communicable diseases in Italy during the month was extremely satisfactory. The only diseases requiring notification were small-pox and poliomyelitis. Small-pox showed a sporadic incidence, only isolated cases appearing throughout the country, with the exception of the Province of BARI, where a small outbreak comprising 39 cases occurred. In the Province of NAPLES the number fell from 18 in March to 10 in April. The greatest number of cases of poliomyelitis reported during the month was 5 from the Province of FLORENCE, while the total for the whole of ITALY was 40. The infant mortality rate for NAPLES Commune for the month of March showed a considerable decrease compared with the February figure, being 66.9 as against 84.8. In the same Commune deaths from all forms of tuberculosis declined from 312 in February to 168 in March.

PUBLIC SAFETY SUB-COMMISSION

4. Generally, the month was reasonably good both from the point of view of serious crime and public order, apart from a determined attempt by the inmates of the prison in MILAN to overpower their guards and escape, and a case of stealing a truck load of hand grenades and other explosives from a dump of munitions at PONTE RONCA, ZOLA PREDOSA, BOLOGNA Province. It was obvious the motive behind the crime was not that of the ordinary thief, but was committed for some political objective. The morale of the Civil Police continued to improve. The CC.RR. made definite strides forward now that they were being better clothed, equipped, and were being given some transport although they were not receiving all that was required. One retarding feature was that in the case of a large number of officers and N.C.O.s their position as regards "epuration" is still undecided. The Italian Government seemed to be extremely slow in deciding cases and a good and efficient service cannot be expected from men whose future careers are undecided. The Pubblica Sicurezza was also gradually improving. One good feature was that of 91 Questori in service as such throughout ITALY, only six were non-career men. These it is hoped will soon be replaced by career officers. A school for recruits in ROME, and one in MILANO, was in full operation and should help much towards improving the efficiency of this Force. Several instances during the month have

occurred where Fascist leaflets and writings appeared in various towns, and Fascist flags were hoisted in FLORENCE and VERONA by unknown persons. This small wave of Fascist enthusiasm was apparently resurrected when the body of Mussolini was taken from its grave in MILAN. Enquiries by the Civil Police are still in hand to trace the body and the persons responsible but so far without success. The hoisting of the Fascist flags was apparently done in commemoration of Mussolini's death. On 30th April 5 armed men entered the Radio Station at Monte Mario, ROME, overpowered two employees and then broadcast by means of a gramophone disc a few bars of the Fascist hymn "Giovinezza". Enquiry to trace the men has met with a negative result. The prison situation showed no signs of improvement. Several attempted breaks were made during the month, the most serious being the outbreak which occurred at San Vittore Prison, MILAN, on 21st April 1945. In this case some prisoners surprised and disarmed 4 prison guards holding them as hostages and after a short time the prisoners gained complete control of the interior of the prison. C.C.R. and troops were called and prevented escape. A state of siege ensued and the prisoners were not finally overcome until the afternoon of 24th April. Casualties were 4 killed, 56 wounded. Later an enquiry by the Italian authorities into the circumstances of the outbreak was held. The seriousness of this episode may bring home to the authorities the inadequacy of the prison guard service. Other attempted outbreaks took place in LIGURIA Region but none was comparable to the MILAN outbreak.

DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION

2. The difficulties which are being experienced during the interim period between take-over of Camps and assumption by UNRRA of financial responsibilities in regard to certain supplies and stores issued from Military Sources for UNRRA operated Camps, were the subjects of much discussion; solutions were achieved. UNRRA screening teams completed their tour of all UNRRA Camps and the Commission returned to ROME. It is too early yet to say what the final results will determine but it would appear that upto 10,000 camp inmates will again become the responsibility of D.P.R.S.C., in addition to the 8,000 which D.P.R.S.C. still hold. UNRRA will be left with Jews and perhaps 1,000 others. A reconnaissance was made of the NAPLES area to find suitable accomodation for Displaced Persons Camps in that area. This accomodation is required to take the place of MODENA and possibly BOLOGNA No. 2, which are required by the Italian Army. The main event of the month was the unauthorized arrival of 1,014 Jewish refugees at the Port of LA SPEZIA. The party consisted of 611 Men, 400 Women and 3 Children who, on arrival, boarded a small coastal vessel named "FENIX" which had been partially converted to take passengers, and in which a considerable quantity of rations had been stored. Accomodation was offered to the Jews on arrival at LA SPEZIA, in a specially prepared Camp in CINECITTA, but this was flatly declined. On the refusal of the Italian Government to allow them to sail, the refugees went on hunger strike at dawn on 6th April. The hunger strike was terminated on 10 April as a result of an address given to them by Prof. Harold Laski, who promised to take up their case and endeavour to obtain permission for their entry into PALESTINE. About this time, they had threatened to stage a mass suicide if the required permission to enter PALESTINE was not granted. On 26 April a representative of the Inter-Governmental Committee for Refugees stated that he had received information from the British Embassy on the evening of the 25th that 769 Jewish subjects would be admitted to PALESTINE. After discussion, the Jews refused to consider sailing unless all were allowed to go. All have subsequently been permitted to sail. A large influx of Jewish refugees into North West Group Camps was reported. These refugees were partly from local areas where previously they had been receiving UNRRA local financial assistance. A disturbance at IT 17 Camp TURIN occurred where

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

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

[illegible] interior of the prison. CC.RR. and troops were called and prevented escapes. A state of siege ensued and the prisoners were not finally overcome until the afternoon of 24th April. Casualties were 4 killed, 56 wounded. Later an enquiry by the Italian authorities into the circumstances of the outbreak was held. The seriousness of this episode may bring home to the authorities the inadequacy of the prison guard service. Other attempted outbreaks took place in [illegible] Region but none was comparable to the MILAN outbreak.

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5157

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

PART III.

ECONOMIC SECTION.

FOOD DIVISION

1. In Italian Territory the current cereal ration of 200 grams of bread daily and 500 grams pasta monthly was maintained in April. Rice was substituted for pasta in much of the North. Grain arrivals in April amounted to 176,904 tons or about 85,000 tons below the monthly maintenance requirements. Because of insufficient arrivals and small harvesting of local grain, Italian wheat stocks were reduced far below the danger level. As of May 1st only 3 days supply remained in the port warehouses. In addition there was roughly 10 or 12 days supply held in the distributing system (mills pasta factories etc.) These figures are estimates as official inventories are not yet reported.

2. The Italian Government has not reconciled itself to reducing further the bread and pasta ration. It plans to make an all-out campaign to increase local harvesting sufficiently to enable a reduction to be permanently avoided. Under the Government's plan cereal producers, who were permitted to set in their future rotations out of production will be required to surrender a portion of their reductions, thereby causing them to make sacrifices in the same way that the non-producers sacrificed when the pasta ration was reduced from 2000 to 500 grams per month about the first of the year. A bonus of 1500 lire per quintal for soft grain and 1600 lire per quintal for hard grain in addition to the former prices of 900 lire and 1000 lire respectively will be paid for the grain turned in. Producers will be permitted to turn in larger amounts than those asked for which they will also be paid the bonus. Bonuses will also be paid for barley, rye, maize and rice. The purpose of the bonuses is of course to bring the obtaining price more in line with black market prices.

3. Cereal collections during April were the smallest of any month since last harvest and totalled less than the equivalent of one small shipment of grain. On the basis of official figures, 672000 metric tons, or more than a third of the total estimated delivered are still outstanding. It is doubtful that the Government decree for supplementary assessing will be effective in obtaining large deliveries of grain as the prices offered, although increased, are still less than half the prices offered on the free market.

4. The sugar situation was better than at the end of March, 1700 tons of imported sugar being expected in April and May. Sufficient sugar arrived in April to permit a distribution of 100 grams per person to normal consumers and it is expected that this ration will be repeated in May.

5. Central and Southern Italy have sufficient olive oil to permit the distribution of the ration through June and Northern ITALY is securing its fats from locally produced butter and lard. The fat situation in the North is precarious but the High Commissioner for Food hopes to be able to give sufficient lard and refined oils to assure the distribution until the end of June.

6. Stocks of meat and fish in Italy will meet the rations and a special distribution of 300 grams of fish per person in cities over 30,000 population was made in April continuing through May. Stocks of dried vegetables were very low and it is not expected that May commitments will be fully met.

7. Large quantities of corn and milk were on hand in the various

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7. Large quantities of soap and milk were on hand in the various warehouses throughout the country. Means of utilizing the large stocks of milk were being discussed by UNRRA and the Italian Government. No decision as to the use of the soap was made because it was felt it would provide a useful substitute for grain should it be necessary to reduce the pasta ration further.

AGRICULTURAL SITUATION.

8. The weather during the first three weeks of April was very dry over practically all of Italy. However, during the last few days of the month the drought was broken by good rains in practically all areas except the extreme Northern provinces, including VENEZIA GIULIA and UDINE. The crop outlook was improved considerably by the recent rains which came before many crops were

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

14. It was learned that the occupation troops in AUSTRIA and GERMANY were in the habit of buying supplies from Italian merchants, paying in lire and it appeared that these payments were debited against the cost of occupation for Allied Forces in ITALY. It being obviously unjust that such an arrangement should continue, Finance Branch took the matter up to obtain a clarification and directive from the Combined Chiefs of Staff.

15. S.A.C. THESSALONIKA and the Allied Commission discussed trade between ITALY and THESSALONIKA and it was suggested that a Clearing Account be set up together with two control officers, one by S.A.C. and the other by the Italian Government.

INDUSTRY DIVISION.

16. The general industrial situation was overshadowed by the Northern coal strike and anxiety and apprehension existed through all the industrial areas of the country regarding its consequences. Confidence which was beginning to return, suffered a sharp setback. On the other hand the improvement in the power situation helped the big users of electric power. Difficulty was experienced by the Italian industries in the dispensing of manufactured products, especially textiles due to large stocks held and lack of export markets. The number of requests received from the Italian Government for the de-requisition of industrial premises continued to increase and successful representations were made in several cases. There was also evidence on the part of the Military authorities to co-operate fully on these cases, especially so in connection with food processing plants, state monopoly concerns and plants specialising in reconstruction. The timber plan submitted by the Italian Government through AC to ACC was rejected by them on the grounds that it involved too many small firms and would be difficult to operate. An alternative plan was submitted but agreement reached between the Italian forestry representatives, the Italian Government and the Military. Timber requirements were reduced to a minimum and will be drawn from two areas instead of one, thus spreading the load. Agreement on prices was also reached and it is hoped that this problem is now settled

17. The amount of imported coal discharged in PORT SAID and SICILY during the month of April totalled approximately 722,600 tons and in addition to this some 82,394 tons of Sardinian coal were discharged during the month. Production of Sardinian coal totalled approximately 90,400 tons during the month showing a small increase of 2,000 tons over that for March.

18. A joint meeting of the Southern and Central Italy Electricity Committee was held in ROME to make arrangements for transmitting 110,000 KW of capacity, of which 20,000 KW was to be sent to SOUTHERN ITALY. In June it is expected to transmit 130,000 KW of capacity, of which 50,000 KW will be for SOUTHERN ITALY. Very little change in power allocations was made for SOUTHERN ITALY for May. For CENTRAL ITALY an increase of 19,000 KW of demand and 12,000,000 KWH of energy was allowed for May, most of the increase to be furnished by power to be transmitted from NORTHERN ITALY. Electrical Division was asked to have a representative present at the discussions on renewal of the wheeling power contract between the CIRLI Co. of ITALY and the S.C.D.E. Co. of FRANCE, which terminated on 30 June. The French Co. desires to renew the contract for a period of one year.

TRANSPORTATION AND SHIPPING.

19. A total of 205 kilometres of Italian State Railway Steel Lines were [illegible] during March and as at 31 March there was a total of

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

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

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17. The amount of imported coal discharged in ITALY and SICILY during the month of April totalled approximately 722,000 tons and in addition to this some 82,334 tons of Sardinian coal were discharged during the month. Production of Sardinian coal totalled approximately 90,000 tons during the month showing a small increase of 8,000 tons over that for March.

18. A joint meeting of the Southern and Central Italy Advisory Committees was held in ROME to make arrangements for transmitting 110,000 KW of capacity, of which 30,000 KW was to be sent to SOUTHERN ITALY. In June it is expected to transmit 150,000 KW of capacity, of which 50,000 KW will be for SOUTHERN ITALY. Very little change in power allocations was made for SOUTHERN ITALY for May. For CENTRAL ITALY an increase of 19,000 KW of demand and 17,000,000 KWh of energy was allowed for May, most of the increase to be furnished by power to be transmitted from NORTHERN ITALY. Electrical Division was asked to have a representative present at the discussions on renewal of the hydro-electric power contract between the CIMEI Co. of ITALY and the S.C.D.E. Co. of FRANCE, which expired on 30 June. The French Co. desires to renew the contract for a period of one year.

TRANSPORTATION AND STEAMSHIP BRANCH.

19. A total of 220 kilometres of Italian State Railway Steam Lines were re-opened to traffic during March and as of 31 March there was a total of 14,604.3 kilometres of Italian State Railway lines in operation, including steam and electric and both single and double track; 17 kilometres of double tracking were completed during March. There were 5061 steam and 1900 electric, making a grand total of 6961 locomotives in stock at the end of March which was an increase of 2% over the number in stock as of 28 February. 48,898,479 ton kilometres were run daily during March which was an increase of 4,094,840 over February and a total of 33,617,200 passenger kilometres daily were run during March which was a increase of 1,207,359 over February. 6,946 passengers were carried by the various services run by the "Wagon Lits" or "Pullman" during March. 119,398 tons of coal and 5,603,154 gallons of fuel oil were consumed during the month. The supply of materials for rehabilitation of the track and for repair of wagons was fairly satisfactory. Cement required was available

5156

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

appreciably damaged by the dry weather. The condition of the wheat is unusually good, considering the dry winter and the lack of fertilisers. Present prospects indicate a somewhat larger yield than was earlier estimated. Grasshoppers threatened to cause serious damage to crops in Southern and Insular Italy, especially in SALERNO Province and in SARDINIA, where large numbers of the insects were reported to be hatching in late April. Control measures devised in anticipation of such a plague were being applied in so far as was possible. Agricultural supplies imported during April consisted principally of fertilisers and farm machinery. Approximately 20,000 tons of nitrogenous fertilisers were imported against UP requisition and some 300 ploughs, 400 grain binders and 600 mowers were received. Two hundred tons of flax seed were imported by UNRRA from IRELAND for seeding in Northern Italy. Deliveries of grain to the Armies during April were insignificantly small compared with the need for cereal, but larger amounts were expected in the future as a result of a new directive requiring producers to deliver at least 6% of authorized withholdings. Prices for such grain were to be more than double former prices.

9. Reforestation of areas denuded during the war constituted the major problem of the Forestry Corps. A small start was made this year, but the planting season was considerably shortened by the very dry weather. The fishery industry during April surpassed all previous post-war monthly catches of fish. As a result retail prices of fresh fish declined during April. Ocean fishing was resumed and is expected to increase in importance by mid-summer.

FINANCE BRANCH

10. The supply of Metropolitan lire to the Allied Forces in Italy under the terms of the Currency Agreement proceeded without any difficulties or delays. During April the Italian Government submitted to the Council of Foreign Ministers in LONDON a document entitled "Memorandum of the Economic and Financial Questions Connected with the Peace Treaty", the main purpose of the memorandum being to counter any claims for reparations from ITALY that may be advanced by any of the United Nations. The main lines of argument were: (a) as a co-belligerent, fighting at the side of the Allies, ITALY suffered extensive material losses and damages; (b) the present state of the Italian economy is such that Italy needs all of her industrial equipment and current output to rebuild her economic structure and increase her exports in order that she may pay for the world market her essential imports.

11. During the month it was widely reported in the American and Italian press that the U.S. Government had under consideration the granting to ITALY of that portion of the Suspense Account which is the dollar equivalent of the lire expended in Italy by the U.S. Army for the purchase of local goods and service. The net troop expenditure portion of the Suspense Account has already been made available to the Italian Government as a credit. It was unofficially estimated that the amount involved, were the credit to be granted, would be some 110-130 million dollars.

COMMERCE (FOREIGN TRADE) BRANCH

12. Another major change in the functions of Commerce (Foreign Trade) Branch was that ALIED was no longer responsible for the screening of Restricted Commodity List items. Negotiations took place with representatives of the Military Government of the American Occupied Zone in GERMANY, for the exchange of goods.

13. Representatives of the U.S. Group of Military Government U.S. Zone

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

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COMMERCE (FOREIGN TRADE) BRANCH

12. Another major change in the functions of Commerce (Foreign Trade) Branch was that AMZON was no longer responsible for the procuring of Non-Food Commodity List items. Negotiations took place with representatives of the Military Government of the American Occupied Zone in GERMANY, for the exchange of goods.

13. Representatives of the U.S. Group of Military Government U.S. Zone GERMANY, visited this Headquarters to discuss the possibility of exchanges of goods between the occupied American Zone in GERMANY and ITALY; the imports into this zone from ITALY are intended for the civilian population. The Representatives had a meeting with the Minister of Foreign Trade which the Director of this Branch attended. The Italian Government wanted to know whether GERMANY could supply certain goods normally imported from that country prior to the war and it was agreed that a certain limited amount of reciprocal trade could be done. The system as to how this trade could be carried out was discussed and it was decided that the Italian Government would be credited in dollars, this account to be used as a type of "clearing" and ITALY would have to undertake to use the dollar credit to offset imports from GERMANY.

but steel was in short supply and while timber was available, it was not sufficient either for tins or wagon repairs.

20. 46,037 load carrying vehicles and 3,340 buses were in circulation at the beginning of the month. This was an increase of 1,417 load carrying vehicles and 30 buses over the February figures. These figures did not include the three wheel and small motor cars adjusted for goods transport. Fuel was in short supply, only 275,000 gallons of gasoline or petrol and 182,000 gallons of diesel oil being allotted monthly for the operation of motor transport. Tyres were also in short supply; the PIRELLI and [illegible] Tyre Factories were in production but their output could not meet demands as both raw rubber and coal were in short supply.

21. A total of 152,101 tons of coastwise shipping moved during the month which was a decrease of 52,045 tons from March 1946 but an increase of 92,101 tons over April 1945. The decrease was due to non-availability of commodities at ports for loading. 127 ships with UNRRA and IRO Import Programs cargoes of 764,127 tons arrived in Italian ports during April. Ship repairs progressed satisfactorily, 28 ships of different kinds being repaired and put back into operation during the month. 68 Italian cargo, tanker and passenger ships of over 500 tons carrying capacity each were being used for civilian traffic, and the capacity of ports greatly improved during the month as a result of both increase in number of piers available and repair of quay fittings and cranes as well as additional dredging.

CAPTURED ENEMY MATERIAL BRANCH.

22. The number of releases made to the Italian Government during and during the month and a considerable quantity of material which was no longer required for military purposes was declared surplus and made available for handing over to the Italian Government. A total of 291 releases were made to AMAR and 438 signed and completed release notes were received from AMAR. This reduced the outstanding releases notes to 109 and a promise was received from AMAR that the position would be brought up to date during the month.

23. 6 dumps containing scrap vehicles were handed over to AMAR, the total number involved being 334 vehicles. Vehicles hulks reported and found were disposed of in accordance with 2 District instructions and a total of 1,752,000 lire was paid into No. 1 A/C, A.F.A. 4,201,145 lire received through the dumps of hulks finish prior to 30 December 1945 was also paid to A.F.A. The Italian Government to conduct breaking down examination in accordance with AMG directive and two dumps were cleared and the contents passed to factories for breaking down.

24. Lists and schedules showing inter alia source and destination of Italian equipment and material sent out of ITALY by the Germans were prepared from the MAK records and arrangements were made to locate this equipment and for the interception of a number of former MAK personnel. The situation of the DAF/DU funds was investigated and a decision awaited regarding their disposal. A review of the application MAK liquidation was undertaken and a full report prepared. Complete schedules of MAK offices for Italy to be in North ITALY were prepared, and a complete index of all MAK, Customs Monitor, Report, CT, Supreme Commission, U.C.S. and ex-German Library files in the keeping of this Branch completed.

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

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CAPTURED ENEMY MATERIAL AND STORES.

22. The release of relevant material to the Italian Government increased during the month and a considerable quantity of material which was no longer required for military purposes was declared surplus and made available for handing over to the Italian Government. A total of 295 releases were made to AMAR and 438 cleared and completed release notes were received from AMAR. This reduced the outstanding release notes to 109 and a promise was received from AMAR that the position would be brought up to date during the month.

23. 8 dumps containing army vehicles were handed over to AMAR, the total number involved being 334 vehicles. Vehicles hulks reported and found were disposed of in accordance with 2 District Instructions and a total of 1,752,000 lire was paid into No. 1 A/C, A.F.H.Q. 4,201,145 lire received through the disposal of horse flesh prior to 30 December 1945 was also paid to A.F.H.Q. Two Italian Government co-owned breaking down requisition in accordance with AMG directive and two dumps were cleared and the contents placed to factories for breaking do

24. Lists and schedules showing inter alia source and destination of Italian equipment and material sent out of ITALY by the Germans were prepared from the MIK records and arrangements were made to locate this equipment and for the interrogation of a number of former MIK personnel. The situation of the DAF/DT items was investigated and a decision awaited regarding their disposal. A review of the completed M.I.K. liquidation was undertaken and a full report prepared. Complete schedules of MIK orders for blankets in North ITALY were prepared, and a complete index of all MIK, Einsatzkommando, Hogen, OT, Supreme Command U.C.S. and ex-German military files in the keeping of this Branch completed.

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PART IV

PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSION

PUBLIC RELATIONS BRANCH

1. Arrangements were made to facilitate the entry into TRIESTE of a party of French Journalists who were travelling as guests of the Italian Government. Information services were given to a party of important American newspaper executives and publishers visiting ROME as guests of the War Department.

2. Press releases for general use as well as several home town releases on individuals were issued. The Bulletin was continued and received the consolidation of the Chief Commissioner as a unifying instrument of morale in this last stage of the Allied Commission. Complete sets of the Bulletin were in process of preparation for dispatch to universities and libraries in ENGLAND and AMERICA.

3. The Daily Digest of the ROME press was continued and increased in size due to the necessity of adequate covering of the electoral campaign. Normal services continued in the Library Section.

NAVY SUB-COMMISSION

4. In view of the numerous minefields still existing in Italian waters, and the great need for the increase of coastal shipping, the Italian Royal Navy set up degaussing installations at various ports for the protection of ships from magnetic mines. Italian navy personnel were trained by British Officers, and a large quantity of degaussing stores and equipment, including a mobile wiping unit was transferred to the Italian Royal Navy by the Royal Navy. While a number of items were still expected from MALTA, the degaussing service operated satisfactorily.

5. The Italian Royal Navy have now assumed complete responsibility for the rendering safe of mines washed ashore on the East and West coast of ITALY. Italian Navy personnel were trained by British Officers and the special gear required for this work, including non-magnetic tools, was made available by the Royal Navy. Specially fitted vehicles were also supplied to the Italian Navy Mine and Bomb Disposal Units in order that large stretches of coast might easily be covered. The Units were fully operational and working efficiently.

6. Trawlers sweeping in the Gulf of MANFREDONIA were expected to complete operations during the month and will proceed to SARDINIA to begin clearance off SANT ANTIOCO AND SAN PIETRO. In addition the check sweep off OTRANTO was completed, thus permitting the cancellation of the danger area off the Apulian Coast.

LAND FORCES SUB-COMMISSION

7. Italian Army strength as at 1st April was 152,750 exclusive of 31,420 CC.RR. There was a surplus of 5715 not yet discharged due to the fact that certain classes of men, although due for release, could not be in fact as they were overseas e.g. CYRENAICA, ERITREA, and arrangements for repatriation were delayed. The CC.RR. was some 13,000 below the authorised ceiling of 75,000 therefore the total author-

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6. Trawlers sweeping in the Gulf of POLICASTRO were expected to complete operations during the month and will proceed to SARDINIA to begin clearance off SAINT ANTIOCO AND SAN PIETRO. In addition the check sweep off OTRANTO was completed, thus permitting the cancellation of the longer area off the Apulian Coast.

LAND FORCES SUB-COMMISSION

7. Italian Army strength as at 1st April was 152.738 exclusive of 51,420 CC.RR. There was a surplus of 5715 not yet discharged due to the fact that certain classes of men, although due for release, could not be in fact as they were overseas e.g. CYRENAICA, ERITREA, and arrangements for repatriation were delayed. The CC.RR. was some 13,000 below the authorised ceiling of 75,000 therefore the total authorised ceiling for the Army including CC.RR. was not at any time exceeded.

8. A conference was held at GHQ on 9 April to discuss the provision of training equipment urgently required for training at the Central Military Schools. This resulted in the release of the major portion of the equipment most urgently required.

10. Further work was accomplished on a new order of battle as a result of the 10,000 increase of strength of the CC.RR. The new Order of Battle provides for an approximate 20% increase of strength in Legions, and the employment of the THIRD Legion as Mobile Units with Legions where there are no Mobile Bns. The

War Ministry has promulgated a decree calling back into service, CC.RR. of the 1915-22 Classes, at present in "Congedo"; many of these men have expressed a desire to return to service. It was estimated that 7,000-8,000 extra men will be available for duty by the end of May and there was a total of 1,905 recruits in training. 166 Staghound Armoured Cars, released to Mobile Bns were in actual possession of the units to which they had been allotted; the distribution of ammunition for the Staghounds was arranged and in progress and the translation and printing of instructional handbooks respecting the vehicles was in hand. 43 M/Cs and 3 Jeeps were released to Mobile Bns during the month. Distribution was made to Legions of 7,000 new automatic rifles from the BERETTA Arms Factory but delay was occasioned with the remaining 3,000 promised, owing to lack of cartridge magazines. Reports continue to be received from CCs and other sources, of the improved efficiency and morale of the CC.RR.

11. A public relations organisation was set up by the Ministry of War and a P.R. Officer at each Terr. HQ was envisaged. It was hoped that this organisation will quickly improve both morale in the army itself and the esteem with which the army is held by the public.

12. The preparations for the provisioning of the Italian Navy and Air Force by the Italian Government w.e.f. 1 June 46 are well under way and no difficulties are anticipated. To date some 170 railway truckloads of medical machinery have been received at FLORENCE from MERANO. Notification was received from GHQ that medical stores in short supply could not be supplied from Allied sources.

PCW Division

13. Progress continued with the repatriation of Italian PCW, figures for the month of April being: - from British hands 45,627; from US hands 355; from other sources 14,160 thus making a total of 58,120.

AIR FORCE SUB-COMMISSION

14. During the month the Italian Air Force despatched a Commission composed of experts to participate in the PARIS Conference on Civil Aviation. They discussed International Civil Air Lines and the problems of bases. From April 5th all IAF Nuclear Commands were disbanded, this being part of the general plan to revert to the normal peace-time organisation. Commissions were set up by the Italian Air Ministry to review the retirement of senior officers. These Commissions were generally unpopular with the Italians because they feel that a stable government should be in power before work of this nature is carried out. A three day Congress was held in MILAN to discuss the technical and economical aspect of air transport in ITALY. Subjects discussed were the inception of air lines, aircraft and organisation.

15. The activity of Aviation Firms slowed down owing to the lack of new contracts from the Italian Air Force Administration. The new Italian SM95 made its debut in the military courier service on the 27th of April. This aircraft is a four engined aircraft which can carry a maximum of 30 passengers and has a top speed of 390 kilometres per hour. Aeronautical inventions studied during the month included principle for the gradual and automatic variation in flight of airscrew pitch and a mounting for piston-shafts designed to increase efficiency. The Italian Air Ministry received applications from MILAN Polytechnic for permission to resume study and research in the Laboratorio di Aeronautica. Permission was granted for

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

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15. The activity of Aviation Firms slowed down owing to the lack of new contracts from the Italian Air Force Administration. The new Italian SM95 made its debut in the military courier service on the 17th of April. This aircraft is a four engined aircraft which can carry a maximum of 50 passengers and has a top speed of 390 kilometres per hour. Aeronautical inventions studied during the month included principle for the gradual and automatic variation in flight of airscrew pitch and a mounting for piston-shafts designed to increase efficiency. The Italian Air Ministry received applications from MILAN Polytechnic for permission to resume study and research in the Laboratorio di Aeronautica. Permission was granted for experiments to be continued into the structure of parachutes to withstand high-speed opening.

16. A great deal of prominence was given by Allied and local newspapers to the mysterious dropping of wireless sets by unknown aircraft in various parts of ITALY. In fact no wireless transmitters were dropped by aircraft in ITALY, but a number of "Radio Sonde" were despatched for meteorological purposes, and it was these instruments that were found and started the spate of rumours.

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

5154

17. Two L.F Officers are to be attached to the American A.T.C. - Ciampino Airfield. They will undertake a 30 days course in the study of A.T.C.'s system of radio communication and meteorology.

18. During April the C.M.'s at ROME and BRINDISI took over Aircraft Safety duties in Southern Italy from the R.A.F. The change-over appeared to have been made satisfactorily, but landline difficulties were still being experienced between the central C.M. at ROME and the subsidiaries at BOLOGNA and BRINDISI. This trouble was being covered by the Italian W/T point to point system.

19. All but a very few sub-depots were concentrated into CASERTA and NOVARA and the equipment from these few remaining depots will be transferred within the next few weeks to these central depots.

20. About 1000 Prisoners of War were repatriated during the month, amongst whom were officers from INDIA. The morale of POWs arriving from British and American Camps was high and their physical condition good.

COMMUNICATIONS SUB-COMMISSION

21. Tel-phone Services were opened to AUSTRIA with one line each from MILAN, BOLOGNA and TRIESTE to VIENNA, and a second MILAN - LONDON line was complete. A few important internal inter-urban circuits were provided including a second GENOA - ROME cct and a TRIESTE - MILAN cct. Considerable headway was made with the new switchboard installations at FLORENCE and NAPLES, two of the most congested centres.

22. With the completion of the 12 channels voice frequency telegraph system MILAN-PARIS via the MONT CENIS tunnel new circuits were brought into operation including MILAN - PARIS; (2), ROME - PARIS; GENOA - PARIS; TURIN - PARIS; MILAN - LONDON. In addition a GENOA - LONDON and a ROME - LONDON channel were ready to be brought into use and a considerable number of small offices in the areas round BOLOGNA and TURIN cut off by war damage were restored. Arrangements were made for the Army to pass traffic over the Italcable ROME - MILAN radio link should civil disturbance cut all land routes. Sabotage in VENEZIA GIULIA dropped slightly lately but is still bad, particularly the TRIESTE - PARIS service.

23. By Ministerial Decree dated 7th March 1946, the Italian Government increased the rates of postage to foreign countries as from 1st April 1946 to approximately three times those in force since 1st April 1945. With the commencement on 4th April of the bi-weekly Trans-World Air Service from CAIRO to the U.S.A. via ROME a direct route for the ITALIAN U.S.A. Air Mail despatches became possible. Unfortunate the capacity available for Italian Air Mails by this service (about 100 Kilos per flight) was insufficient to accommodate all the traffic, which amounts to about 60 Kilos per day. The overflow is being sent to PARIS (for connection with the FRANCE-U.S.A. service) utilising Italian internal and SWISS air services with rail links. It is hoped that an increased frequency of the Trans-World service will soon take effect and provide for the direct transmission of all correspondence. Air Mails to GREAT BRITAIN, EGYPT, and various other countries continued to be conveyed by R.A.F. services. The R.A.F. service which carried the Italian Air Mail to LONDON was withdrawn. The Air Mail fee from ITALY to other European countries was increased from 15 Lire to 20 Lire each 20 grammes. Traffic in gift parcels continued to be very heavy. During the month 102018 parcel bags were

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24. Inspection at NAPLES revealed that serious difficulty was still being experienced by the Post Office in obtaining prior information regarding various ships under British control. It was possible to make arrangements which should improve the system of obtaining shipping information. As regards the acceptance of mails on British controlled ships it is still not practicable for the Post Office to make formal mail contracts with shipping Companies but temporary arrangements were made with Sub Transport A.F.H.Q. for the mails to be accepted by S.T. ships against non-negotiable receipt. Proposals were submitted to the G.P.O. LONDON advocating a

special system to be adopted until normal liner berth working is resumed. So far as American shipping is concerned the Post Office was pressed to come to an agreement with U.S.A. to operate a similar system to that suggested in the case of British shipping and so terminate the present undesirable arrangement by which the mails for AMERICA are sent to LONDON for despatch with U.S.Army mails. A considerable part of the despatches to the U.S.A. consists of empty mail bags due to be returned for use in the gift parcel service.

Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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

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Ellen L. Hale

ELLEN L. HALE
Rear Admiral, USN
Chief Surgeon

5153

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

C.A. Lectori

HEADQUARTERS ALLIED COMMISSION
APO 794
Office of the Executive Commissioner

Ref.: 825/EC

14 June 1946

SUBJECT: A.C. Monthly Report - March 1946.

TO : All concerned.

Reference Allied Comdssion Monthly Report for March the following Amendments are made:

page 3. Ligurin Liaison Group Add paragraphs 15 to 20 from page 4

page 4. Delete paragraphs 15 - 20.

For the Chief Commissioner

I.S. Hood-Smith
Lt-Col RA
for Brigadier
Executive Commissioner

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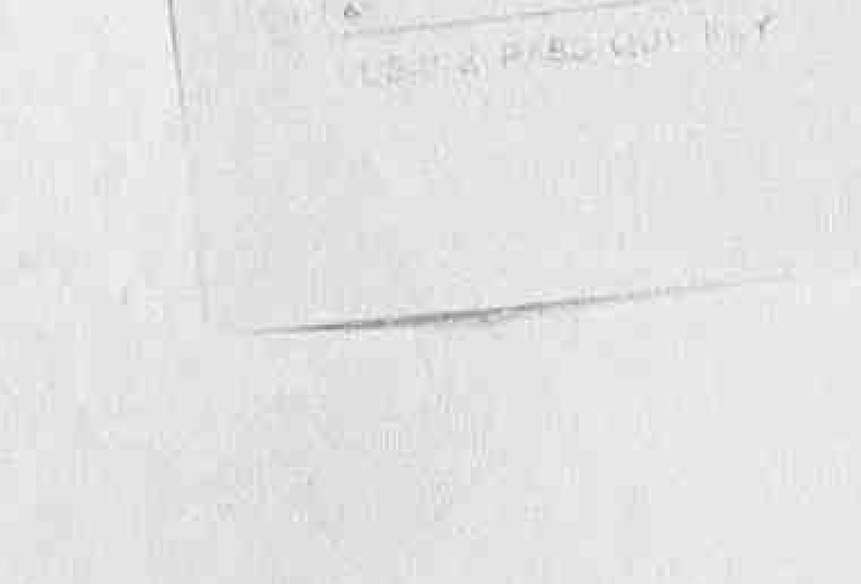

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CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 794

MONTHLY REPORT

MARCH - 1946

Ref: 824/30

7 June 1946

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HEADQUARTERS ALLIED COMMISSION
APO 794

MONTHLY REPORT

MARCH - 1946

Ref: 824/20

7 June 1946

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5151

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HEADQUARTERS ALLIED COMMISSION
APO 794

MONTHLY REPORT

MARCH - 1946

INDEX

		Page No.
POLITICAL SUMMARY		1 - 2
PART I -	LIAISON GROUP REPORTS:	3 - 16
	Liguria Liaison Group	3
	Lombardia Liaison Group	3 - 5
	Piemonte Liaison Group	5 - 6
	Venezia Liaison Group	6 - 7
	Naples Liaison Group (covering the area of Campania, Lucania, Calabria)	7 - 8
	Livorno Liaison Group (Toscana Region)	8 - 9
	Bari Liaison Group (covering the area of Apulia and Marche)	9 - 10
	Sicily Liaison Group	10
	Bologna Liaison Group (Emilia Region)	10 - 11
	Bolzano Liaison Group	12
	Rome area Liaison Group (covering the Provinces of Ancona, Ascoli Piceno, Frosinone, Latina, Macerata, Pesaro, Perugia, Rieti, Rome, Terni and Viterbo).	12 - 13
	AMG Udine	13 - 14
	AMG Venezia Giulia	14 - 16
PART II -	CIVIL AFFAIRS SECTION	17 - 19
	Local Government Sub-Commission	17
	Legal Sub-Commission	17
	Education Sub-Commission	17 - 18
	Public Health Sub-Commission	18
	Public Safety Sub-Commission	18
	Monuments, Fine Arts & Archives Sub-Commission	18
	Displaced Persons and Repatriation Sub-Commission	18 - 19
PART III -	ECONOMIC SECTION	20 - 23
	Food Division	20

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

I N D E X

		Page No.
POLITICAL SUMMARY		1 - 2
PART I -	LIAISON GROUP REPORTS:	3 - 16
	Ligurian Liaison Group	3
	Lombardia Liaison Group	3 - 5
	Piemonte Liaison Group	5 - 6
	Venezia Liaison Group	6 - 7
	Naples Liaison Group (covering the area of Campania, Lucania, Calabria)	7 - 8
	Livorno Liaison Group (Toscana Region)	8 - 9
	Bari Liaison Group (covering the area of Apulia and Marche)	9 - 10
	Sicily Liaison Group	10
	Bologna Liaison Group (Emilia Region)	10 - 11
	Bolzano Liaison Group	12
	Rome Area Liaison Group (covering the Provinces of Ancona, Ascoli Piceno, Frosinone, Latina, Macerata, Pesaro, Perugia, Rieti, Rome, Terni and Viterbo).	12 - 13
	AMG Udine	13 - 14
	AMG Venezia Giulia	14 - 16
PART II -	CIVIL AFFAIRS SECTION	17 - 19
	Local Government Sub-Commission	17
	Legal Sub-Commission	17
	Education Sub-Commission	17 - 18
	Public Health Sub-Commission	18
	Public Safety Sub-Commission	18
	Monuments, Fine Arts & Archives Sub-Commission	18
	Displaced Persons and Repatriation Sub-Commission	18 - 19
PART III -	ECONOMIC SECTION	20 - 23
	Food Division	20
	Agriculture Division	20 - 21
	Finance Branch	21
	Commerce (Foreign Trade) Branch	21
	Industry Division	21 - 22
	Transportation and Shipping Branch	22
	Captured Enemy Materials Branch	22
	Venezia Giulia/Udine Supply and Operations Branch	23
PART IV -	PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS	24 - 26
	Public Relations Branch	24
	Navy Sub-Commission	24
	Land Forces Sub-Commission (M.L.)	24 - 25
	Italian Prisoner of War Division	25
	Air Force Sub-Commission	25
	Communications Sub-Commission	26

5150

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

POLITICAL SUMMARY.

1. The Government have, during the month, taken various steps in preparation for the elections. The date on which the referendum and the elections for the Constituent Assembly would be held was fixed as 2 June. It was noted that elections could not be held in VENEZIA GIULIA because of the present international situation nor in BOLZANO Province because the electoral lists would not be completed in time. The Council agreed that voting would, if necessary, be carried over to 3 June. The Council also approved the decree regulating the operation and proclamation of the results of the referendum. As at present arranged, it should be possible to announce the results of the voting five days after the elections, i.e. on 8 June.

2. On 16 March the Lieutenant of the Realm signed the two decrees on the referendum and the holding of the Constituent Assembly elections. In a letter to the President of the Council H.R.H. observed that if the pact between the Monarchy and the people were to be confirmed, it would constitute the foundation of a renovated Monarchy which would make self-government and social justice fully operative. He also referred to his father's irrevocable decision to retire from public life which was noted by some observers to be an advance from the position taken by H.R.H. in 1944 when his decision was deemed to be a temporary one. It was generally agreed that this development somewhat improves Prince Umberto's chances in the forthcoming elections.

3. It was reported that at an informal referendum of the ROME section of the Christian Democrat Party 9,000 votes were in favour of the Republic, 2,100 in favour of the Monarchy and there were 2,300 votes in favour of a motion recommending political "agnosticism" or a refusal to decide on the issue at this stage.

4. The Council examined various projects for the relief of unemployment, the promotion of public works, the restoration of ports and harbours and the employment of "reduci." It also studied the food situation and approved the decree granting an amnesty for various military offences. The draft of a law regarding the regulations supplementary to decree-law No. 702 of 9 November 1945 on epuration was approved. The new regulations provide for the prolongation of the time limit for conclusion to epuration until 31 May, subject to their being limited to the Northern territories restored to the Italian Government after the entry into force of the above-mentioned decree; in the rest of Italian territory epuration ceased on 31 March.

5. In a speech during the month the President of the Council declared that Christian Democracy wanted the new political regime to function by means of a responsible majority and a minority free of control. Referring to foreign policy, the President said he declared that Italy must not enter into the polemics between the two blocs, above all before she knew what treatment was in reserve for her. The new Italian policy, he said, would belong to the people and the old plutocratic constellation would not be restored. He concluded his speech by declaring that the only hope for the new world was for it to be based on Christian civilization.

6. The Island of SICILY was in the news when the Council of Ministers examined and approved the project submitted by the Sicilian Consultative Assembly as regards the grant of regional autonomy to the island.

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

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6. The Island of SICILY was again in the news when the Council of Ministers examined and approved the project submitted by the Sicilian Consultative Assembly on regards the grant of regional autonomy to the island. The belief is widely held that separation as a movement is dead although the leader of the Party had declared his party's readiness to compete in the elections.

7. An unsubstantiated report from WASHINGTON to the effect that the UNITED STATES and BRITISH Governments were agreed on the grant of a provisional status for ITALY caused a stir in Italian political circles. De Gasperi declared his satisfaction at the reported declaration that a modus vivendi need not interfere with the work of concluding an early peace treaty. He observed that if a modus vivendi were agreed, particularly if it included some financial and economic clauses, ITALY's situation would at once become easier

51.19

and she would be able to settle down seriously to the work of reconstruction and the provision of relief.

8. SPAIN claimed some attention in Italian thoughts during the month. At the meeting of the Council of Ministers Sig. Nenni supported by Signori Togliatti and Cianca asked that the Italian Ambassador at MADRID should be recalled. Sig. De Gasperi replied that, in view of the Armistice conditions prevailing in ITALY, the Italian Government were bound to conform to the attitudes of the United Nations and to subscribe to whatever decisions they might reach. Signor Nenni claimed that the Italian Government made a mistake first in sending an Ambassador to SPAIN and secondly in concluding a commercial treaty with that country. He urged the need of recalling the Italian Ambassador as a gesture of solidarity with the Spanish people in their struggle against the Falangist regime and of establishing contact with the Spanish Republican Government in FRANCE.

9. Mr. Herbert Hoover, a distinguished visitor to ROME during the month, declared that the 120 days until the next harvest would be crucial and fresh restrictions and sacrifices might have to be imposed on the Italian people. He reiterated UNRRA's promise to make a generous contribution towards the solution of the problem.

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

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

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

PART I - LIAISON GROUP REPORTS.

LIEUTA. LIAISON GROUP.

1. During the month council elections were held in all the four Provinces of LIGURIA and were remarkable for the discipline and good conduct of the public. Police arrangements were good and no incidents marred the picture. It appeared that in the towns the swing of electors was to the "left" whilst the villages were much more moderate in tone. A noticeable feature was the large number of women voters. All parties jockeyed for position without, as far as one could see, committing their various parties to any definite platform, which made for weakness in all but the Communist and Socialist parties. No trouble was experienced from the Italo-French communes, but it was apparent that a strong underground French propaganda drive was in operation.

2. A public works programme was opened to employ about 2,000 people, but the main difficulty amongst labourers was the ratio of wages to the cost of living. There were a large number of "reduci" located in GENOA, a great percentage of whom showed no real desire to obtain work.

3. Public safety was satisfactory; crime was not high and public order was exemplary. All Agencies of the Italian Police service functioned fairly efficiently in view of the difficulties of the present time. The Carabinieri were well equipped with transport, and were efficiently administered; they are rapidly becoming the only arm of police in whom the public have confidence. Both Pubblica Sicurezza and Guardia di Finanza were sadly hampered by lack of arms and means of transport.

4. The Sindaco of GENOA estimated the deficit in the 1946-7 budget at 1 billion 4000 million lire.

5. Due to the increased price of containers etc. the canned fish industry was in serious straits. Local enterprise had nearly ceased and only imported canned goods sold, and these in limited quantities due to import regulations. The food industries in LIGURIA were hampered by a lack of materials, tinplate, oil and sugar, and the high cost of those materials when available; unsettled labour conditions and the resulting high price of goods which causes them to be regarded as luxuries. The populace meanwhile resorted more to fresh foods. Notwithstanding this depressing outlook, the manufacturers made every effort to remain active. The recent Government decree, allowing them to retain 50% of their foreign currency holdings, helped a great deal. Black market prices fell slowly but steadily and more goods appeared in the shops.

LOMBARDIA LIAISON GROUP.

6. The political struggle during the month was practically confined to the Christian Democrats and the Social Communists with the former slightly in the lead. The tendency was for the right and centre parties to vote Christian Democrat; voting averages were high with the women turning out in full force. The record of well-disciplined elections was blackened slightly by two incidents: in one place a polling station was entered by armed [illegible]

drive was in operation.

2. A public works programme was opened to employ about 2,000 people, but the main difficulty amongst labourers was the ratio of wages to the cost of living. There were a large number of "reduci" located in CENO., a great percentage of whom showed no real desire to obtain work.

3. Public safety was satisfactory; crimes were not high and public order was exemplary. All branches of the Italian Police service functioned fairly efficiently in view of the difficulties of the present time. The Carabinieri were well equipped with transport, and were efficiently administered; they are rapidly becoming the only arm of police in whom the public have confidence. Both Publica Sicurezza and Guardia di Finanza were sadly hampered by lack of arms and means of transport.

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MIDDLE EAST GROUP.

6. The political struggle during the month was practically confined to the Christian Democrats and the Social Communists with the former slightly in the lead. The tendency was for the right and centre parties to vote Christian Democrat; voting strengths were high with the women turning out in full force. The record of well-disciplined elections was blackened slightly by two incidents; in one place a polling station was entered by alleged Communists and the uncounted ballots destroyed and in another a polling official was set upon, his ballots destroyed, entry forced into the Municipio and the remaining ballots burned.

7. Apart from the incidents cited above there were no unusual or disturbing situations. Relations between Military Police and Italian Police were excellent. Although the Police Services functioned satisfactorily the morale was high there was extreme dissatisfaction because of the meagre pay. In every case Police Agencies functioned under many handicaps, lack of clothing, equipment, arms, transport, and petrol, besides a shortage of personnel.

5118

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

8. There were serious riots in several prisons but in each case the situation was under control. Order was maintained solely by the use of fire-arms owing to the lack of efficient cell-locks. The most serious problem was that of juvenile delinquents who had to be detained in adult prisons owing to the fact that there is now no Juvenile Prison or reformatory in the whole of LIGURIA. Taking into account present conditions the crime situation was generally satisfactory. MILAN City and Province continued to be a matter for concern.

9. Prices of foodstuffs, especially meat, milk, butter and cheese increased, and cereal shortages occured due to late ship arrivals and difficulties in unloading. There was no availability of butter and supplementary rations to sick people were not possible. Milk for deficient provinces was not delivered owing to unwillingness of producers to release milk at a fixed price and also because of the difference in price between milk for industry and that for alimentation. Meat rationing was limited to quantities necessary for hospitals and workers etc.

10. A shortage of fertilizers existed and complaints of black marketing of ammonium sulphate were numerous.

11. Recent heavy rains brought about a sudden relief in the electric power situation and restrictions were lifted.

12. Refugee movement continued to be mainly repatriation to W. EUROPE via S. FRANCE.

13. All divisions of the transportation section reported favourable progress. Foreign dispatches cleared through MILAN by rail and air were noticeably heavier and all previous telephone circuits with FRANCE were again active.

14. Public health was normal.

15. The month was remarkably free from "insufficient food scares." The weather was favourable towards practically all branches of cultivation, the prospects of a good hay crop this season were bright and the fruit crop also promised well.

16. The average number of displaced persons repatriated to FRANCE and North West EUROPE was approximately two hundred a week.

17. The Italian State Railways had a successful month. The doubling of the line between GENOA and VENTIMIGLIA was 75% completed and all material for the finishing of the tracks was supplied. The Servizio Lavori was asked to supply urgently all material required for reconstruction work in the Compartimento di LIGURIA.

18. March was another successful month for the ports of GENOA and SAVONA. The total amount of coal discharged at both ports exceeded the estimated figure of 300,000 tons by 10%. General repairs proceeded in the port of GENOA. The total tonnage of vessels arriving during the month was 407,602 tons, while SAVONA had a total of 209,444 tons. There is still a great shortage of warehouse space but owing to the improvement in weather conditions the situation was easier. The only cargoes arriving at LA SPEZIA

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

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

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19. Transportation by sea, rail and road all showed great improvement during the month.

20. Improvements took place in the auto-exchange in GENOA. Long distance traffic increased in the Region, and it reached a figure higher than that of pre-war days. Telegraph traffic was being resumed all over the Region and the service improved greatly.

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

PIEDMONTE LIAISON GROUP.

21. Party activities were generally quiet and orderly. Local Government functioned well according to local standards and Italian ability seemed to be equal to the task. The municipal elections, which were conducted without incidents, aroused considerable interest - less of course than will arise during the National elections. Local changes in officials have taken place as a result of the elections.

22. Public safety was satisfactory. The position with regard to crime definitely improved and the Police made some praiseworthy arrests for serious crimes which occurred in recent months. A considerable improvement in Carabinieri morale and performance of duties with a corresponding increase in the esteem of the general public was noted.

23. Prison conditions at TURIN gave the authorities considerable cause for thought, no less than three large-scale attempts at jail-break having occurred during the month. In each case, assistance by Italian troops and the CC.RR was forthcoming and no escapes actually occurred. The immediate cause of the trouble was the bad physical conditions in a desperately overcrowded jail. Considerable numbers of prisoners were transferred to other jails and the position at TURIN was thereby temporarily improved.

24. An ugly demonstration occurred in AOSTA Province during the month, when about 1,500 demonstrators assembled outside the palace of the President of the Council, demanding a plebiscite on the status of the Valley of AOSTA. Members of the demonstrators assembled outside the palace and manhandled the President rather severely. Local reports state that the incident was organised from across the French frontier and French journalists and photographers had illegally entered ITALY the previous evening to witness the demonstration. Apart from this incident, magnified of course by the local press, there were no cases of grave mob disorder. A few demonstrations by women in connection with grievances about the food situation occurred in some provinces, but there were no cases of a serious nature.

25. The municipal elections so far held passed off peacefully and were conducted admirably by all concerned. Considerable police arrangements for surveillance and the maintenance of public order were made but not a single instance was reported of police intervention.

26. Cost of living was high, as elsewhere throughout the country, but prices seemed to be striking a level somewhere between regulated and black market prices. In places observed, stores seem to be well stocked with more than just bare necessities. The average cost of living throughout the Region for the average working family appeared to be about 12,250 lire per month, which amount is estimated to include food, rent, cooking and light. The foregoing would indicate a rise in the cost of living of about ten per cent. Shipments of flour and grain from five other provinces to PIEDMONTE, under National Plan No. 2, were normal during the month.

27. A nationally organized general strike of all workers except state employees and transport workers took place throughout the region on 14 March; the remaining demonstrations were quiet and without incidents of a serious nature. The Italian Labour officials seemed to have done very well in handling individual and collective disputes and strikes. It is estimated that

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

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28. There is a bright outlook for the cereal crops, fruit and vegetables and meadows; the sowing of oats, planting potatoes and the pruning of vines and fruit trees started. The condition of cattle generally was thought to be good. There was a shortage of fertilizers, spray materials, machine fuel and lubricants, and the fuel allowance for agricultural purposes was recently reduced.

5147

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

29. Public works continued to make progress, and the melting of snow refilled the mountain basins supplying hydro-electric generator stations.

30. Public health was generally good.

31. During the month the Italian Ministry of Transport ordered the abolition of the trip tickets required for trucks, and now POL will be distributed according to the capacity of the vehicles, rather than by cargo tonnage as was done previously. This action may make it easier for POL to find its way to the black market. There appeared to be very little private transport on the roads as compared to what is seen further south.

32. PIEDMONT seemed to lag in getting its former telegraph offices connected and going. Otherwise things appeared to be gradually improving.

33. There were reports of pilfering in the Italian mails and particularly those parcels containing foodstuffs and clothing from abroad.

34. The courts proceeded slowly, the delay in getting cases before the courts being blamed on the lack of proper personnel.

VENETIA LIAISON GROUP.

35. All of the recent elections throughout the Region were conducted in an orderly manner and in accordance with regulations. Voting averages were high. The Christian Democrats polled the highest vote of any single party (an estimated 40%) but a trend to the left was indicated by the majority of the votes. Election campaigning as well as the elections themselves created a great deal of interest and much sober thought was given by the entire population. Local Government officials appeared to be functioning reasonably well; all Provinces within the Region have changed their CLN Prefects for career men appointed from ROME.

36. Despite the fact that they were still handicapped by lack of transport the various police forces improved in efficiency. Tyres, tubes and spare parts were required and it appeared that the police were not being given the priority to which they are entitled. Supplies of clothing, bedding, arms and ammunition were also in short supply. Morale improved and more reliance was being placed by the public; the press showed a keen appreciation of work being done. Crime in general showed a slight decrease as compared with previous months, but armed robberies and thefts continued. The police halted large quantities of grain and rice leaving the Provinces illegally. Black market activities continued but it appeared that many had ceased to buy on it. The prison population at VENICE city was over capacity and efforts were being made to alleviate this. One rather large jailbreak took place from MELLUNO Prison involving 64 prisoners, all of whom had been sentenced for political and other crimes, including murder. 8 of the escapees were captured and 3 returned voluntarily. The escape was believed to be due to negligence or collusion on the part of the guards. Conduct of Allied troops continued to be very good and cooperation between Allied Military Police and Italian Police was good.

37. Although there were at no time during the month any critical shortages the food situation could at best be described as fair. All deliveries of cereals will be completed by mid-May with no visible reserves available for

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37. Although there were at no time during the month any critical shortages the food situation could at best be described as fair. All deliveries of cereals will be completed by mid-May with no visible reserves available for the months of June or July or until the harvest. The balance of 6,000 tons of AMG food stored in VENICE for the past two months was released to Italian Alimentazione officials. Plans were discussed for intensifying efforts to induce the farmers to bring into the Consorzio every available quintal of grain. With the return of "reduced" food requirements increased. Local markets had an abundance of fruits and vegetables, but food prices remained unchanged with the exception of fats, oil and butter which showed a marked increase during the month. Prices of commodities other than foods began to decline.

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

38. Sowing was good throughout the Region and a normal crop was expected. Sugar beet planting was normal. The general feeling was that farm prices are too low and for this reason farmers are hesitant about bringing their crops to the Ammasso. There was a serious shortage of insectides and fertilizers which may affect crop production.

39. There was still an acute shortage of coal for industrial purposes. Allocations for March were lower than in February and the March allotment did not arrive during the month. Several plants were in condition to commence operation but stood idle due to lack of coal. The sugar beet factories in PADUA and NOVIGO are capable of handling all this year's crop providing coal is available.

40. Considerable work stoppages were encountered in silk and textile mills due to wage disputes but these were of a temporary nature. VENICE reported a continuation in the slowly increasing reconstruction and reactivation of industries. The average production was about 40% of capacity. Unemployment slowly commenced to decrease but continued to present a grave problem.

41. The crisis in the power situation passed and rationing ceased. Public services functioned as before the crisis and industrial consumption increased. March saw an increase in the number of projects approved but reconstruction of war-damaged houses and roads did not reach the desired state. The repair of roads which are in a deplorable condition was reduced owing to lack of materials. Reconstruction of bridges progressed well.

42. The health of the population was good in all provinces. Infectious diseases, with the exception of Influenza which was on a scale less than epidemic proportions, were at a normal rate. A small outbreak of Smallpox was reported in VENICE but due to widespread vaccination it was controlled.

43. In the port of VENICE considerable progress was made in the repair of docks, equipment, warehouses and railroad facilities. Total civilian tonnage entering the port in March amounted to 203,000 tons as against 170,000 tons in February. All main railway lines in the Region were operating although some were on a limit-basis. Construction continued on branch lines. Telephone and telegraph services were rapidly getting back to normal and installations continued to increase.

44. There was a crying need for more judicial personnel in the courts which resulted in hundreds of cases pending and may well jeopardize the legal rights of the individual.

NAPLES LIAISON GROUP. (covering the area of CAMPANIA, LUCANIA, CALABRIA).

45. There were some 83 political meetings during the month in NAPLES, mostly small affairs. The main interest was centred in the elections which began in some provinces on 10 March and were in full swing in all provinces by Sunday, 31 March. The Liaison team visited a total of 89 Communes during the month including selected Communes from all 9 Provinces. An orderly conduct of elections, a heavy poll, 80% to 90% of eligible electors voting; and the large number of women voting were general features. In the smaller communes it was personality rather than party that counted.

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

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46. The Christian Democrats were the outstanding big party with Liberals and Labour Democrats next. Communists appeared in very small numbers; L'Uomo Qualunque Party also had but a small following and there were many "Independants."

47. Conditions as regards Public Safety were satisfactory and there was a further small increase in cases of unlawful possession or stealing of Allied property.

48. Relief gave little cause for complaint during the month, but the increasing number of returned PW is a potential danger coupled with unemployment from the closing of Allied installations.

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

5146

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

connected at about 21,000 lire for the month. The latest figures not yet complete showed some rise over December for food but a drop in clothing prices.

53. Harvest prospects up to the present were good and the area sown with wheat approximated to the 1959 area.

54. Unemployment increased. There were seven strikes or stoppages of work, but there were no incidents.

55. An allotment to MARES of 6 milliards of lire was made and one of the biggest items will be work on the clearing and reconstruction of the port itself. The reconstruction of the destroyed VOLTURNO hydro-electric station at CAPUA proceeded satisfactorily and it is hoped when reconstruction is complete to work to an output of 22,000 KW.

56. Public health remained good; venereal disease is rampant; 1,135 women were treated in hospitals during the month. The Italian port and medical authorities have resumed control of inspection and quarantine of ships coming into the port.

57. The responsibility for the movement of foodstuffs etc. passed to UNRRA on 1 March and the AC transportation closed.

LIVORNO BASE SUB AREA. (TOSCANA Region)

58. In spite of great political activity and the holding of many meetings only one disorderly incident was reported. Political groups were well organized and disciplined. The local administrative elections started enthusiastically, great interest was shown and voting was exceptionally heavy. In every case women voters predominated. Voting regulations appeared to be scrupulously observed and the elections were conducted in a most orderly manner. There was unexpected cooperation between the parties and in many Communes there were joint party meetings for the purpose of discussing and explaining voting procedure. The Communist Party was the best organized, with the best publicity, and seemed to have all the initiative and plenty of funds. Election officials and police agencies made an excellent job of a difficult task, and the people themselves showed keen intelligence and remarkably good spirit throughout the elections. Local Government continued to function efficiently.

59. There was a sharp decline in the lesser types of crime, and major crime, for the most part, remained under control. Bands of thieves continued to operate in GROSSETO Province where the police appeared to lack the ability or initiative to cope with the situation. The Carabinieri showed gradual improvement in their general efficiency although there is still much to be desired. Questure Agents and Finance Guards functioned satisfactorily and the uniform situation for both Carabinieri and Finance Guards improved.

60. There remained considerable unemployment in TOSCANA and efforts to relieve the situation were feeble. LIVORNO showed more progress in this respect than anywhere else in the Region. There was no strife because of

49. Prisons continued to be overcrowded. The requisitioned prisons at NISIDA were handed back to the Italian authorities.

50. The insistant demand for factories, stores, etc. to be derequisitioned was a major issue. Some small progress was made.

51. The cut in the pasta ration to 500 grams a month was accepted with a reasonable understanding of world conditions. Grain ships kept up with the demand for imports. In the many Communes visited in all Provinces in connection with the elections there were no cases of complaint that the bread ration had not been received.

52. The cost of living went up slightly. For a family of five persons of the artisan class, the monthly figure was worked out by the Chamber of Commerce at about 21,000 lire for the month. The latest figures not yet complete showed some rise over December for food but a drop in clothing prices.

53. Harvest prospects up to the present were good and the area sown with wheat approximated to the 1939 area.

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

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54. Unemployment increased. There were seven strikes or stoppages of work, but there were no incidents.

55. An allotment to [illegible] of 6 milliards of lire was made and one of the biggest items will be work on the clearing and reconstruction of the port itself. The reconstruction of the destroyed VOLTURNO hydro-electric station at [illegible] proceeded satisfactorily and it is hoped when reconstruction is complete to work to an output of [illegible],000 KW.

56. Public health remained good; venereal disease is rampant; 1,135 women were treated in hospitals during the month. The Italian port and medical authorities have resumed control of inspection and quarantine of ships coming into the port.

57. The responsibility for the movement of foodstuffs etc. passed to UNRRA on 1 March and the AC transportation closed.

LIVORNO LEAGUE CHIEF. (TOSCANA Region)

58. In spite of great political activity and the holding of many meetings only one disorderly incident was reported. Political groups were well organised and disciplined. The local administrative elections started enthusiastically, great interest was shown and voting was exceptionally heavy. In every case women voters predominated. Voting regulations appeared to be scrupulously observed and the elections were conducted in a most orderly manner. There was unexpected co-operation between the parties and in many Communes there were joint party meetings for the purpose of discussing and explaining voting procedure. The Communist Party was the best organised, with the best publicity, and seemed to have all the initiative and plenty of funds. Election officials and police agencies made an excellent job of a difficult task, and the people themselves showed keen intelligence and remarkably good spirit throughout the elections. Local Government continued to function efficiently.

59. There was a sharp decline in the lesser types of crime, and major crime, for the most part, remained under control. Bands of thieves continued to operate in [illegible] province where the police appeared to lack the ability or initiative to cope with the situation. The Carabinieri showed gradual improvement in their general efficiency although there is still much to be desired. Questure Agents and Finance Guards functioned satisfactorily and the uniform situation for both Carabinieri and Finance Guards improved.

60. There remained considerable unemployment in TOSCANA and efforts to relieve the situation were feeble. LIVORNO showed more progress in this respect than anywhere else in the Region. There was no strife because of

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

the adverse labour conditions.

61. Farmers were optimistic as regards the 1946 crops but fertilizers continued to be in short supply. Conflict between farm landowners and farm workers continued, the latter being needlessly aroused by the Communist controlled "Camera del Lavoro." More grain was amassed during the month but a considerable amount continued to be withheld by the farmers because of weak and late enforcement. Advantage has been taken of last year's drought in that it has been used as an excuse for short crops, out of all proportion to the true state of affairs. Oil production was expected to exceed previous years. The cereal supply was precarious in most provinces; in some Provinces only a partial distribution or none at all was made during the month of pasta, oil and sugar. Non-rationed foods were available on the markets and there was a gradual decrease in prices in other than foodstuffs.

62. Industrial and commercial rehabilitation progressed slowly but surely. Lack of tooling and raw materials remained a serious handicap but there was more coal and electric power available and industrial plants began to show signs of life. There was an increasing amount of merchandise and the transportation situation improved.

63. Public road works were restricted due to lack of funds; funds were made available for schools and other public buildings, but again progress was slow because of lack of materials.

64. Many Displaced Persons continued to pass through LIVORNO, these were principally non-Italians. Public health was, on the whole, satisfactory. Typhoid cases decreased although Tubercular cases increased; children's illnesses prevailed but not in any serious proportions. Hospitals were in need of supplies and ambulances.

BARI REGION GROUP. (covering the area of BARI and MARCHE).

64. Elections were held in different towns in the BARI area each Sunday during the month of March; everywhere they were conducted in an orderly manner and the organization to enable voters to visit the polling stations was good. Greater political activity was shown by all political parties in the majority of the Communes, but in a few places interest in the elections was definitely lacking. From the returns for March the Christian Democrat Party was shown to be in majority. According to the Prefect of BARI the morale of the people was low. The rising prices of foodstuffs, shortage of pasta, unemployment, general lack of discipline are all formidable barriers to reconstruction. The Communist Party in certain areas was subjected to strong opposition by returning prisoners of war from RUSSIA; Italian prisoners of war returning from AMERICA have been strongly pro-American, going so far as to put up slogans on walls "VIVA L'AMERICA" or publicly speak in favour of ITALY becoming the forty-ninth State of AMERICA. It would appear that the percentage of Poles in this area who were willing to be repatriated to POLAND was not more than 5 per cent.

65. The condition of Public Safety gave grounds for concern. Disorders frequently broke out in towns on one pretext or another. The real cause of the trouble could be traced to the fact that the wages earned were out of all proportion to the cost of living and the people just cannot make ends meet;

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

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PARI DIVISION ZONE. (covering the area of ANCONA and MACERATA).

64. Elections were held in different towns in the PARI area each Sunday during the month of March; everywhere they were conducted in an orderly manner and the organization to enable voters to visit the polling stations was good. Greater political activity was shown by all political parties in the majority of the Communes, but in a few places interest in the elections was definitely lacking. From the returns for March the Christian Democrat Party was shown to be in majority. According to the Prefect of ANCONA the morale of the people was low. The rising prices of foodstuffs, shortage of posts, unemployment, general lack of discipline and all formidable barriers to reconstruction. The Communist Party's Partisan creed was subjected to strong opposition by returning prisoners of war from RUSSIA; Italian prisoners of war returning from AMERICA have been strongly pro-American, going so far as to put up slogans on walls "VIVA L'AMERICA" or publicly speak in favour of ITALY becoming the forty-ninth State of AMERICA. It would appear that the percentage of Poles in this Area who were willing to be repatriated to POLAND was not more than 5 per cent.

65. The condition of Public Safety gave grounds for concern. Disorders frequently broke out in towns on one pretext or another. The real cause of the trouble could be traced to the fact that the wages earned were out of all proportion to the cost of living, and the people just cannot make ends meet; returns were bitterly disappointed in not finding the employment they were led to expect by promises made by the Italian Government, and their women-folk give vent to their feelings and disappointment by staging noisy demonstrations. When such demonstrations took place, the opportunity was seized by the rough elements of the town to indulge in looting of shops and stalls.

66. The food situation was critical. Everything was done to bring home to each individual the necessity of preventing wastage of foodstuffs. The tendency was for prices of foodstuffs to rise, but prices for commodities which were not necessity showed a tendency to decrease. The shops were well stocked and almost anything could be purchased at a price.

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

5145

67. Derequisitioning of premises continued satisfactorily, special attention being given to buildings such as schools, hospitals, orphanages and other public institutions. All possible steps were taken to get them derequisitioned.

68. The crops showed a healthy appearance and the farmers were busy in their fields but rain was needed.

69. The unemployment situation was acute but the Italian Authorities were doing what they could to find employment, especially for the veterans who will cause trouble if employment is not found for them. The difficulty was that these people would insist on getting the kind of work which suited them and were not prepared to take up jobs they did not like. Provinces were busy carrying out repairs to roads and constructional works which were scheduled by the Central Government for the month of March but the work in question merely touched the fringe of unemployment.

70. The Refugee Camps worked normally and from observation the people in the Camps appeared to be happy enough. The Camp Authorities specially in PARI worked hard to find employment in the Camp, and provide for recreation and entertainment.

71. The state of Public Health was satisfactory, though with regard to Smallpox fourteen further cases were reported in the Provinces during the month.

72. The serious shortage of coal for the railways caused anxiety and train services had to be curtailed due to a shortage of coal. The situation with regard to road transport was stationary due to a lack of tyres and P.O.L.

73. Italian Courts functioned but slowly. This was due to the acute shortage of Magistrates in the Tribunals.

BRCHA LIAISON GROUP.

74. Elections held during the month were quiet and orderly and proceeded smoothly. Law and order on the whole was greatly improved and organised band activity practically ceased due to amnesty arrangements for Separatists and the activity of CC.RR and the Army.

75. The grain shortage was still serious. Perishable foods in considerable quantity were available in the markets with prices on the whole remaining steady and no greater than those prevailing in ITALY. Stocks of commodity goods seemed to be improving with prices generally going down.

76. The unemployment situation continued to be serious and little effort was apparent to provide employment through public works. However, no organised agitation was evident.

77. The general picture as regards health was satisfactory.

BOLOGNA LIAISON GROUP. (EMILIA Region)

78. Political activity increased in tempo during the month of March, as was expected, with the administrative elections being held. Meetings of all parties were held, all in an orderly fashion. The organization of the

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

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BOLOGNA LIAISON GROUP. (EMILIA Region)

78. Political activity increased in tempo during the month of March, as was expected, with the administrative elections being held. Meetings of all parties were held, all in an orderly fashion. The organisation of the Communist Party seemed to be the best, followed by that of the Socialists and Christian Democrats. There was little activity by the Liberals, Uomo Qualunque or other parties. The population took great interest in the elections and the percentage of voters going to the poll was uniformly high, e.g. 84% in BOLOGNA. Red flags, shirts and neckerchiefs were in great display, and here again the parties of the Left were the most active. Generally speaking, the results show the Communists and Socialists in the majority, but there was a healthy opposition from the other parties. Two features of public opinion were noticeable; one was that BRITAIN and AMERICA will prevent, by some unknown means, ITALY being a Communist State, and the other, a general feeling that to hold the referendum before the constitutional elections is a mistake. There was some active propaganda on the TRIESTE problem, mostly in the form of students' processions in

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

Provincial capitals. Local Government continued satisfactorily. All communal budgets show deficits and this caused some concern.

79. Public Safety conditions in the Region remained about the same; the improvement noted in February was generally maintained in March, but the state of law and order could not be regarded as satisfactory. Political murders and kidnapping still continued, and many crimes are not reported for fear of reprisals. Fifteen murders, wounding or attempts for political motives, five kidnappings, eleven murders etc. for non-political motives, and ninety-six armed robberies and attempts were reported. The total number of arrests for such crimes was twenty-nine. There were no cases of public disorder during the month. Steady improvement was shown in the quality of actual police work, particularly by the CC.RR. The Questura in the provinces did their best to reorganize their forces, but the difficulties were great and progress slow. The equipment of the CC.RR was improved. The prison situation remained unsatisfactory; a serious riot occurred at the BOLOGNA prison on 10 March, and a serious attempt at escape was made by some sixty prisoners in MODENA Province on 24 March. On 30 March, at PARMA, some 70 prisoners attempted to escape, two were killed.

80. The food situation from an official point of view was not good; there was enough grain on hand in the Region to last until the end of the month, but supplies depended upon the arrival of grain ships. Unofficially the population was living on the stocks of grain which were hoarded. All other foods except sugar were unrationed but prices were such as to prevent the major part of the population from buying. No sugar was available. The cost of living was high and even the richer elements were feeling the pinch a little. Some industries functioned but at a greatly reduced rate, due to lack of raw materials and fuel and a reluctance to do business. Unemployment continued to be a grave problem; there was no reduction in the number of people out of work and already local politicians used these for the purpose of demonstrations. Agricultural work was static, but it was hoped that some of the unemployed would be absorbed in the near future. Weather conditions were favourable for a good harvest although there was some need for fertilizer and insecticides.

81. Many Public Works were authorized by the Ministry, but much delay was experienced in obtaining the necessary funds. UNRRA helped much in providing transport on rehabilitation schemes. The supply of water was adequate, and the supply of electricity improved considerably. Sufficient gas was available for domestic cooking, supply being maintained for 3½ to 4 hours.

82. During the month some 1,782 refugees were evacuated. The Medical Departments of the various camps ran smoothly, and further immunization was carried out at all camps except for typhus. Typhus innoculations were suspended pending arrival of new vaccine. The arrival of supplies for distribution to the camps showed a vast improvement over February.

83. The public health of the Region remained good during the month. There were no epidemics reported from any Province but there was a general increase in the numbers of cases of measles and whooping cough in the Eastern half of EMILIA during the latter part of March. Cases of malaria were reported from FERRARA Province. Hospitals functioned satisfactorily but here again there was a need for funds. Supplies of medicines seem to have been adequate, although there was a continuous demand for penicillin.

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

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84. Road transport appeared to be adequate for the needs of the population, but there was a shortage of BOL. Railway transport continued to improve during the month. Post and telegraph facilities were satisfactory although the former was slow. Telephone communication showed steady improvement.

85. Italian Courts functioned satisfactorily but, as usual very slowly. The criticism of Courts decisions in political cases, which was very strong in the past, greatly diminished. Education was satisfactory, the only problem which came to notice being the lack of funds for the University.

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

5144

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

BOLZANO.

86. The general political situation was quiet. There was a split in the South Tyrol Volkspartei between the moderates and others who desired a more active policy. The South Tyrol Volkspartei refused to furnish members on a Commission formed to discuss Autonomy embracing BOLZANO and TRENTO. Preliminary discussions on this subject, however, began between the Prefect and influential South Tyrolians outside the South Tyrol Party. The Prefect had meetings with the judiciary in order to prepare for the use of the German language in the Courts and in judicial procedure. A Commission to discuss the subject of citizenship met and heard views from both ethnical groups. Other meetings will take place from time to time. The number of signatures collected by the South Tyrol Party for annexation to AUSTRIA was believed to be in the neighbourhood of 120,000. The two Autonomistic movements M.I.R. (Movimento Autonomistico Regionale) and A.S...R. (Associazione Studi Autonomistici Regionali) slowed down their individual activity as the more tolerant elements among them feel they should combine and form a solid block as the South Tyrol Volkspartei.

87. The strength of CC.RR was 976 and morale was high, although there was a shortage of clothing, arms and transport. Frontier control was carried out as outlined during a meeting between the French and Italian Authorities on 18 February 1946.

88. Negotiations continued for the export of wine, fruit and food to SWITZERLAND and AUSTRIA.

89. The general food situation was satisfactory although there was a cut-down in soup items which was resented by the population; sugar, oil and fat were insufficient, whilst jam was not available.

90. Fertilizers and insecticides were required for agriculture; there was a shortage of labour and farmers asked for the release of their POWs.

91. Unemployed numbered some two thousand in the Province and the percentage of ex-servicemen to be employed by firms and offices was raised by the Prefect from 5% to 10%.

92. General health was satisfactory. The six hospitals in the BOLZANO Hospital Centre will shortly be reduced to four.

93. Arrangements were made with the Prefect to take over the buildings of No. 25 D.P. Camp when the 400 Germans at present there have been repatriated.

94. Restrictions on the use of electric power were cancelled, the winter supply of electricity was ensured and optimistic views existed regarding the summer supply.

AREA HQ.

95. The area covered by this report includes the eleven Provinces of BRESCIA, ASCOLI PICENO, FERRARA, LATINA, MACERATA, PESARO, PERUGIA, RIETI, ROMA, TERNI and VITERBO.

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92. General health was satisfactory. The six hospitals in the MERANO Hospital Centre will shortly be reduced to four.

93. Arrangements were made with the Prefect to take over the buildings of No. 29 D.P. Camp when the 400 Germans at present there have been repatriated.

94. Restrictions on the use of electric power were cancelled, the winter supply of electricity was ensured and optimistic views existed regarding the summer supply.

<u>ROME AREA.</u>

95. The area covered by this report includes the eleven Provinces of ANCONA, ASCOLI PICENO, FROSINONE, LATINA, MACERATA, PESARO, PERUGIA, RIETI, ROME, TERNI and VITERBO.

96. Political activity of the various parties was intense during the month in view of the elections of the Communal Councils which were carried out in all the Provinces as scheduled. The Prefects succeeded in maintaining this activity within the limits of the law without recourse to force by requesting and obtaining the full est cooperation from all local political leaders.

97. Although the elections provoked no disturbances, the public safety situation remained generally unsatisfactory throughout the Provinces particularly in RIETI, LATINA, MACERATA, PERUGIA and ROME. Police organization continued to be decidedly unsatisfactory, the CC.RR being understaffed in rural areas and the Civil Police in larger towns being greatly hampered by insufficient uniforms. There was a serious lack of armament, particularly automatic weapons; transport, tyres and petrol were also in short supply resulting in a curtailment of mobility and efficiency.

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

98. The economic situation was unsatisfactory throughout all Provinces; costs of products on the open market increased, and rehabilitation of industry proceeded slowly due mainly to a lack of raw materials, electric power, coal and transport. Unemployment was a serious problem in all provinces particularly in those areas most damaged during the war (i.e. LATINA, FROSINONE, RIETI, TERNI, ANCONA). Agriculture offered a brighter outlook; recent rains allowed a good sowing and crops progressed very favourably. Public works proceeded satisfactorily within the possibilities of the limited funds at the disposal of the local governments and public utilities improved slowly and steadily.

99. Apart from ROME where the numbers of Displaced Persons and refugees were very large and difficult to ascertain correctly, there was a total of 23,263 Displaced Persons in the area.

100. Public health was generally good, the rates of infectious cases being not above normal. In the Province of TERNI there were 201 cases of measles, 107 of which were in the city of TERNI.

101. Motor transportation was restricted due to the lack of vehicles, tyres and petrol. In FROSINONE and LATINA Provinces telephone and telegraph facilities, save for the cities themselves, were practically non-existent.

A.M.G. UMBRIA PROVINCE.

102. Political activity increased considerably during the month. Administrative elections were held in 43 Communes and polling was carried out in a most orderly and efficient way. A Socialist Friuli Federation Congress was held and was chiefly concerned with the desire of the party to divorce itself from the Communists. At a Congress held by the Christian Democrats it was significant that a vote was recorded of 14,000 in favour of a Republic and 1,100 against. Strict control of movement across the boundary and the presence of Allied troops did much to assist the tranquillity of the province during the month particularly amongst the pro-Slav agitators. Public opinion, except for its widely expressed anti-Tito feelings, its interest in the Boundary Commission and in the Communal Elections, was centred wholly in the economic situation. Prices, though falling gradually, were well beyond the capacity of most, and this coupled with the unemployment situation severely taxed the patience of the people. Relations between the population and AMG continued to be cordial, whilst confidence in Anglo-American equity in deciding the frontier issue was freely expressed.

103. The Public Safety situation in the province during the month greatly improved. Anxiety was felt on account of food and labour conditions and there were signs of impatience which may lead to demonstrations and possible disorders, but on the whole the situation was better than at any time since the liberation. This was brought about by more resolute action on the part of Police Services. In consequence the number of serious crimes dropped considerably although there was an increase in thefts of cars and tyres etc. The efficiency of the CC.RR and Questure improved, their most serious handicap being a shortage of manpower. Lack of sufficient clothing and automatic arms continued but transport and motorcycles provided from military sources proved of the greatest possible service. The morale and efficiency of the Guardia

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

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104. The Italian Courts worked satisfactorily and the number of cases tried by Allied Military Courts in the Province during the month was 31, of which 3 were Superior Court Cases.

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

105. The Epuration Commission completed its work during the month of March and was formally dissolved. All documents relative to suspensions made by it were transmitted to the Provincial Delegate of the High Commissioner for Sanctions against Fascism.

106. As the expected rice allocation from Northern ITALY did not arrive the first issue of pasta since December - 500 grams was therefore made in lieu. A census of all livestock was taken throughout the Province. This was one of the measures employed to establish a stricter control on the illegal slaughter and exportation of livestock from the Province. It was necessary to establish a more rigid system of control of the movement of livestock within the Province, due to the exorbitant price of meat on the market. A total of 470 head of cattle was exported during the month to VENEZIA GIULIA and other parts of ITALY. The price of bread increased to 19 lire per Kg. after a careful screening of production costs. Poultry, eggs, fish, vegetables and dried and fresh fruit could be found in abundance on the open market.

107. 30,000 hectares approximately were sown with wheat, but a 100% harvest is not expected owing to the lack of fertilizers. It was estimated that over a million grafted layers and several thousand fruit trees were planted, nearly all pears and apples. Dairy production increased and was generally good, the withdrawal of certain restrictions encouraged the use of Social Dairies. Sugar beets were sown on quite a large scale and tobacco growing was on the increase. Agricultural activity was in full swing and the farmers were doing their best to intensify production.

108. During the month 1,059 Italians and 412 non-Italians passed through the UNRRA Refugee Centre. One-half of these displaced persons arrived from VENEZIA GIULIA and the balance from AUSTRIA and the UNRRA area.

109. The situation as regards POL was at last satisfactory and the March allocation of coal arrived in TRIESTE. The tyre situation continued to be unsatisfactory.

110. The Public Sanatorium, the only one of its kind catering for ex-POWs and ex-internees afflicted with T.B. was opened during the month. This hospital was sponsored by AMG and much of its equipment provided from AMG sources, with the welcome assistance of UNRRA in providing an X-ray apparatus. Arrangements were also made to reopen all the summer recuperation and recreation centres connected with different schools, kindergartens etc.

111. Work on hand under the Genio Civile and the State Highway Department totalled 300 projects, value 311,942,460 lire. In addition to this 100 projects totalling 200,439,540 lire were forwarded for final approval to the Ministry of Public Works during March. Considerable delay was experienced in reaching the stage of final approval and initiation, showing the necessity of keeping the military roads financed through AMG until the efficiency of Italian channels is proven.

112. The increase in registered unemployment figures gave some cause for anxiety. Two months ago there were 32,000 of whom 12,000 were thought by the

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

market. A total of 470 head of cattle was exported during the month to VENEZIA GIULIA and other parts of ITALY. The price of bread increased to 19 lire per Kg. after a careful screening of production costs. Poultry, eggs, fish, vegetables and dried and fresh fruit could be found in abundance on the open market.

107. 30,000 hectares approximately were sown with wheat, but a 100% harvest is not expected owing to the lack of fertilisers. It was estimated that over a million grafted layers and several thousand fruit trees were planted, nearly all pears and apples. Dairy production increased and was generally good, the withdrawal of certain restrictions encouraged the use of Social Dairies. Sugar beets were sown on quite a large scale and tobacco growing was on the increase. Agricultural activity was in full swing and the farmers were doing their best to intensify production.

108. During the month 1,059 Italians and 412 non-Italians passed through the UDINE Refugee Centre. One-half of these displaced persons arrived from VENEZIA GIULIA and the balance from AUSTRIA and the UDINE area.

109. The situation as regards POL was at last satisfactory and the March allocation of coal arrived in TRIESTE. The tyre situation continued to be unsatisfactory.

110. The Paulucci Sanatorium, the only one of its kind catering for ex-POWs and ex-internees afflicted with T.B. was opened during the month. This hospital was sponsored by A.F.H. and much of its equipment provided from AMG sources, with the welcome assistance of UNRRA in providing an X-ray apparatus. Arrangements were also made to reopen all the summer recuperation and recreation centres connected with different schools, kindergartens etc.

111. Work on hand under the Genio Civile and the State Highway Department totalled 500 projects, value 311,942,460 lire. In addition to this 100 projects totalling 200,439,540 lire were forwarded for final approval to the Ministry of Public Works during March. Considerable delay was experienced in reaching the stage of final approval and initiation, showing the necessity of keeping the military roads financed through AMG until the efficiency of Italian channels is proven.

112. The increase in registered unemployment figures gave some cause for anxiety. Two months ago there were 32,000 of whom 12,000 were thought by the Prefettura to be genuinely unemployed. To-day the registered figure had more than doubled, due chiefly to the fact that a large number formerly did not register.

A.M.G. VENEZIA GIULIA.

115. The political atmosphere in TRIESTE, never calm, was further disturbed by the arrival at the beginning of the month of the Four Power Inter-Allied Boundary Commission. Both the principal contending parties increased the intensity of their press expositions of their respective cases. In addition, the pro-Yugoslav movement complained loudly that the people in Zone 'A' were not given freedom to express their feelings, the leader of the pro-Italian CLN accused Allied Military Government of "too much impartiality" which left the Italians defenceless against Slav-Communist intimidation. There was little change in local government although efforts were still being

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

made to increase the number of Communes conforming to the terms of General Order No. 11. On 9 March, after much persistent work, a Communal Committee was appointed at DUINO (TRIESTE area). DUINO was the first of the twenty almost completely Slovene Communes in the territory to cooperate with Allied Military Government under General Order No. 11.

114. With the arrival of the Foreign Secretaries' delegates on 7 March and the resulting intensification of political activity, the month has been an extremely busy one for the VENEZIA GIULIA police force. All reports, however, official and unofficial, indicated that they had passed through this trying period with "flying colours." The disassociation of Military and Civil police is now complete and at no time was it necessary to call for military police assistance in dealing with the numerous demonstrations and processions, many of which were on a much larger scale than any experienced since the commencement of the Allied occupation in June 1945. The conduct and reaction of the civil police during these demonstrations showed considerable restraint and impartiality. 548 arrests were made, in many cases the arrests were protective detentions while the remainder were for various offences such as possession of offensive weapons, assaults on police, breaches of the peace etc. During the major demonstrations the police did not report to firearms, but three major reports stated that firearms were used against the police. The total strength of the VENEZIA GIULIA police force was 3,771 officers and men. The conduct of Allied Service personnel continued to be satisfactory and confining troops to barracks on the occasion of organised demonstrations was of great assistance to the civil police. Owing to the numerous arrests made during the month the prison population reached a record number.

115. During March, the population received their normal rations with the exception of fats and pasta - these had to be cut by half due to shortage of supply. Although the acreage that can be planted this year is almost double that of the preceding year, the factors of uncertain weather, shortage of fertilisers and lack of certain seeds will influence the final crop returns. There is already a shortage of rain, and the wheat harvest will suffer if the usual spring showers do not arrive soon. Immediate plantings of nursery stock are also endangered. However, it is generally expected that the food produced in VENEZIA GIULIA this summer will greatly exceed that of last year.

116. Industrial activities were overshadowed throughout the month by political demonstrations staged for the benefit of the Foreign Ministers' delegates. This culminated in a three days general strike in the middle of the month. Even at other times workers had little regard for their contracted liabilities. In spite of the large reforestation project for the TRIESTE area, which absorbed 2,500 men and women, and the extension of blocking of dismissals to 10 April 1946, the labour market showed a total of 29,443 registered unemployed for the month of March - an increase of 307 over February. When the unblocking of dismissals order is in force a very much higher unemployment figure is expected for the territory. To ease this situation, a Public Works programme was worked out which should absorb a large proportion of the unemployed. Prec. 7/8,000 workers were employed on public works schemes, but by 10 April it is hoped that this figure will be raised to 15,000. 26,443 tons of coal arrived during March. After normal distribution the balance in hand was 9,226 tons.

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

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117. General health throughout the territory continued to be good, and scabies in POLA and GORIZIA was on the decrease.

118. It was confirmed that the Assembly Centres in TRIESTE and UDINE should remain open for an indefinite period. The movement of displaced persons showed considerable increase over the previous month: 1,037 entered and 1,096 were evacuated.

119. There were no General Court cases tried during the month and the number of firearms cases remained at the same level. The Ordinary Civil Courts continued to function with reasonable satisfaction as did the Ordinary Court of Assize.

5142

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

120. Political unrest in VENEZIA GIULIA which became more pronounced during March, greatly upset the normal functioning of the schools. During the stay of the Foreign Ministers' delegates most people were very sensitive to the daily political issues and this in turn affected the children and students. In Italian schools both instructors and pupils expressed a keen desire to keep the schools out of the political quarrels which disrupt and harm the educational process and instruction was regular and quite serene except in isolated cases. In the Slovene schools the School Section of the PNOO became much bolder in its illegal functions of government and recently issued a profusion of direct orders to the Slovene teachers of the territory. The Education Officer whilst visiting several school districts was told repeatedly by teachers that they were at a loss - intimidation was so real that they could not possibly disobey these illegal orders coming from the PNOO.

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

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

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

CIVIL AFFAIRS SECTION.

LOCAL GOVERNMENT SUB-COMMISSION.

1. The Council of Ministers approved and published the final version of the law for the elections to the Constituent Assembly. The Lieutenancy Legislative Decree No. 99 of 16 March 1946 fixed 2 June as the date for the elections to the Constituent Assembly and for the referendum on the institutional forms of the State. The aforementioned law postponed the elections in VENEZIA GIULIA and in BOLZANO province indefinitely and provided that in the Electoral College of TRENTO-BOLZANO, returning 9 deputies, only 5 deputies should be elected on 2 June by TRENTO Province, leaving 4 to be elected by BOLZANO at a later date to be arranged by subsequent provision. A total of 5,709 Communes held their elections for Communal Councils on Sundays 10, 17, 24 and 31 March. The elections were observed in selected communes. The officers of the Sub-Commission accompanied by Inspectors-General of the Ministry of the Interior covered GENOVA, ALESSANDRIA, COMO, MILAN, VENICE, PERUGIA, TERNI, ROME, CATANZARO, BARI, BRINDISI and TRAPANI. The results of these observations were that public order was excellent, (one or two minor incidents were noticed but they did not affect the general picture), public interest was great, the average poll was high - 75% to 80%, and the procedure prescribed by law was properly followed.

LEGAL SUB-COMMISSION.

2. Allied Military Courts were held in VENEZIA GIULIA and UDINE Province and a General Court was held at NAPLES. The Courts in VENEZIA GIULIA and UDINE were Summary and Superior. VENEZIA GIULIA showed an increase of 206 accused over February, most of this increase being cases in the TRIESTE Area for violation of the Order for the conservation of electricity, which is no longer operative. The number of cases for possession of arms and ammunition was approximately the same as in February (March 17, February 18). The Italian Courts worked satisfactorily in UDINE; cases tried before Allied Military Courts showed a reduction of 12 from February, actual figures being February 43 and March 31. The Special Court of Assize tried 31 cases and dismissed 29. In VENEZIA GIULIA 35 accused were tried resulting in 20 convictions and 15 acquittals. The range of sentences here was from 1 - 30 years, the average sentence being 11 years. In VENEZIA GIULIA the Ordinary Civil Courts continued to function with reasonable satisfaction. LIVORNO reports on Italian Courts were still not entirely satisfactory, where cases of Allied interests are concerned, especially those dealing with the theft and possession of Allied property. 5 of the 18 accused before the Tribunal were acquitted. The report is better as to the other parts of TUSCANY Region. The work of reviewing the cases of all persons confined in prisons progressed steadily with noticeably good results.

EDUCATION SUB-COMMISSION.

3. The first of the series of books on education in GREAT BRITAIN, THE UNITED STATES and CHINA has now been published in Italian - The Young, Introduction to American Education. The enrolment in German schools in BOLZANO was 27,526; in Italian schools 9,214. The schools were in good condition, clean and well disciplined. For the few German communities in

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

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511

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

books. The 4th and 5th class readers, in Slovene, published under AMG auspices, were printed and ready for distribution. Three professors who deliberately violated the AMG order closing Slovene schools in TRIESTE following the students' third strike were dismissed. The Slovene schools were reopened after a few days of being closed. Forty-six students applied for admissions to the special concentrated training course for Slovene teachers. Thirty of these were accepted. The course was scheduled to open, in the Istituto Magistrale of GORIZIA, on 10 April.

PUBLIC HEALTH SUB-COMMISSION.

4. With the numbers of Italian Repatriates gradually diminishing, five hotels used as hospitals were closed. Six hospitals now remain with a bed capacity of 2,770 of which 1,329 are occupied. The health of the nation continued to be satisfactory; there were no cases of plague or typhus reported. Smallpox cases reported were small, in CASERTA 36, AVELLINO 24, NAPLES 18 and VENEZIA 10. Vital statistics for ROME during February were as follows: infant mortality 84.8 as compared with 70.9 in January. Deaths from tuberculosis showed a decline: 213 for February as compared with 227 for January.

PUBLIC SAFETY SUB-COMMISSION.

5. From the "serious crime" aspect the month of March was reasonably calm, but various disturbances amongst the civil population occurred particularly in the NAPLES area. The most serious disturbance occurred at ANDRIA, BARI on 5 March and rioting continued throughout 6, 7 and 8 March. Eventually reinforcements of CC.RR and Questura Agents regained control and the situation remained very tense for some time. The trouble concerned more than 200 unemployed demonstrated against general unemployment. Other demonstrations occurred in the FOGGIA area but were suppressed without great trouble. In VENEZIA GIULIA a number of demonstrations by both Jugoslavs and Italians were held during the latter part of March. Nearly all were unauthorised and it was held solely to influence the Allied Mission which was in TRIESTE during the period. Strong police action was necessary and was carried out by the newly formed VENEZIA GIULIA Police Force without help from the Military Police. More than 500 arrests were made and the demonstrations were dispersed where necessary without resort to firearms. The morale of the civil police continued to improve. The increase in the strength of the V.G.P. from 65,000 to 75,000 was approved and should help considerably in policing the outer areas where CC.RR are at present very "thin on the ground." The prison situation still remained acute due to overcrowding, bad sanitary conditions and unreliable and untrained prison guards. Several prison breaks were attempted during the month, the most serious being at MILLANO prison. The Italian authorities were fully aware of the conditions and the cause of these attempted breaks but they were slow in taking remedial measures. The pay of the prison guards is already very meagre and there is little doubt that a good reliable type of guard will not be forthcoming until the pay is materially increased.

MONUMENTS, FINE ARTS AND ARCHIVES SUB-COMMISSION.

6. After consideration of the Interrogation Report on Colonel Moser, Platzkommandant at VERONA in April 1945, which was forwarded by H.Q.U.S. Forces European Theatre, and consultation with the Italian Director General of Antiquities and Fine Arts, this Sub-Commission decided that further efforts to

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DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION.

7. [illegible] D.P.I.S.C. Liaison Officers were established at Assembly Camps Groups at VERONA and BOLOGNA. Disbandment instructions were received for a further two Assembly Centres and three Control Camps. [illegible] of the disbanded

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

units will be absorbed within the new war establishment of this Sub-Commission. The period under review was not marked by any outstanding moves, but certain policies and coordination procedures were defined. TRIPOLITANIA at last agreed to accept those Italian children who had already been assembled in ROME under Pontifical Commission arrangements. ERITREA, for the first time, made known its policy to accept back all genuine Eritrean natives irrespective of their past connections with the Axis or whether they were in possession of Vatican passports. 150 Greeks were accepted for transit through ITALY for GREECE and were to be added to the 150 Greeks in BARI who were awaiting repatriation. The Brazilian Government was, according to a Press statement, willing to facilitate immigration and 25,000 Italians were to be included in the quota. Italian miners continued to move to BELGIUM via GENOA and VILLAFRANCHES. There were still 381 Germans and Austrians at POLELAND awaiting repatriation. Two batches of Jews, who entered ITALY illegally, arrived in BARI. A typhoid epidemic broke out in the boys' school at BARLETTA, TRANI Polish Camps. Necessary precautionary measures having been taken, the situation appeared to be in hand. The UNRRA Camps Chief Medical Officer made a tour of all camps in EMILIA, also GENOA, TURIN and MILAN. Conditions in Camps were generally good, especially TURIN, where general management and medical services were found to be of a high standard.

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

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5140

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

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

ECONOMIC SECTION.

FOOD DIVISION.

1. The grain arrivals in March amounted to about 296,000 tons which was somewhat over the monthly consumption. As a result, the stock in the warehouses rose from 119,000 tons on 1 March to an estimated 160,000 tons on 1 April. However, present indications are that April and May arrivals will be below the consumption level, with the result that a cut in the bread and/or pasta rations is considered to be inevitable in Italian Government territory. The cereal ration in Italian Government territory was maintained throughout the month at 200 grams of bread daily and 500 grams of pasta monthly with a distribution of rice substituted for pasta in much of the North. Only 150 grams of sugar was distributed to normal consumers in March and it does not appear likely that even this reduced sugar ration will be maintained in the future. Sufficient oils and fats were on hand to meet ration requirements through May and present stocks of dried vegetables were equal to April needs and part of those of May. Supplies of preserved meat and fish will take care of requirements through June. Difficulty continued to be experienced in getting people to use dehydrated soup, powdered milk and dehydrated eggs.

2. In Military Government territory the programme was about two months in arrears. No progress was made in building up a reserve of rationed supplies and it was necessary to continue the policy of supporting XIII Corps territory from territory handed over to the Italian Government.

3. Full ration scales were met in VENEZIA GIULIA and UDINE with the following exceptions: in VENEZIA GIULIA 1,000 grams of pasta were distributed instead of 2,000 grams and less than the full ration of 160 grams of fats was distributed. In UDINE 500 grams of pasta were distributed instead of 2,000 grams and 100 grams of sugar were distributed instead of 200 grams.

4. Arrangements were made to hand over to the Italian Government all foodstuffs on AC charge with safeguards for such commitments as Displaced Persons and the requirements for the Midshift Meal. After UNRRA takes over responsibility for feeding the bulk of Displaced Persons in this country, there will remain approximately 16,000 who cannot be catered for under the UNRRA charter. Arrangements were made with the Italian Government to continue their responsibility for feeding these people. The responsibility for feeding the Italian Army was taken over by the Italian Government as from 15 November 1945, S & T having agreed to maintain the Royal Italian Navy and Air Force until 1 June. The Italian Government, however, could not find the foodstuffs and so a loan was made by S & T (British).

AGRICULTURAL DIVISION.

5. Light to heavy rains in all parts of ITALY during the first half of March were of great benefit to all crops, and prospects for a good harvest were much better than a month ago. The shortage of fertilisers appeared to be the most unfavourable factor likely to affect crop yields. However, domestic manufacturers were rapidly repairing their war damaged plants and production of both phosphates and nitrates showed gains during March not thought possible two months ago. Imports of agricultural supplies during March fell much below those of the previous month, due principally to the receipt of only [illegible] requisitions and to the delayed

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

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6. Milk production showed a noticeable increase with the arrival of green forage, while fresh meat was in somewhat less supply because fewer farmers are now compelled to sell cattle for slaughter to conserve feed. Insignificantly small quantities of cereals were collected by the Ammasso during March. A plan to encourage the delivery of larger quantities of rice by offering fertilizers to producers who exceed their established quotas was initiated by the Ministry of Agriculture. The prospects are good for a large catch of fish during the coming summer, despite the failure of Italian fishermen to

5139

obtain consent to fish tuna off the coast of TRIPOLITANIA.

7. Much concern was expressed both by Provincial Authorities and by Allied Forests experts over the heavy inroads made on Italian timber supplies during and following the war. Plans for replanting the most seriously denuded areas were being made through the cooperation of the various Allied Agencies and the local Authorities.

FINANCE BRANCH.

8. The final phase in the implementation of the Currency Agreement began on 15 March 1946, which was the date fixed for the Allied Forces to shift over from the use of new AM lire to the use of Metropolitan lire. The Banca d'Italia supplied the required amounts and denominations of Metropolitan lire, and the operation proceeded smoothly.

9. During March the Council of Ministers announced the adoption of a new foreign exchange policy whereby 50% of current foreign exchange accruals will be left at the free disposition of the exporter. Exporters may use such amounts for the purchase of goods abroad or may sell their exchange to other Italian importers. Two general restrictions were announced: the commodities that can be purchased with the retained exchange will be limited to a list to be published, and the retained exchange must be utilized within a given time-period.

COMMERCE (FOREIGN TRADE) BRANCH.

10. During the month this Branch was engaged mainly upon the Italian Government programme of import requirements of reserved commodities. Following the directive from AFHQ a system was worked out to include Zone 'A' VENEZIA GIULIA in the foreign trade system for the rest of ITALY.

11. A commercial contract was signed with DENMARK on 2 March, and trade discussions took place between representatives of the CZECHOSLOVAKIAN and ITALIAN Governments. Arrangements were being made for invitation to ROME of Polish Commercial Delegations from WARSAW.

12. There was no change in the items included in the Reserved Commodities Lists, and the Italian Government in conjunction with UNRRA prepared a programme of import requirements of reserved commodities for the balance of 1946 over and above UNRRA supplies.

13. As a result of Foreign Trade Congress held in MILAN this month, the Council of Ministers decided to pass a new decree giving exporters 50% of the foreign currency resulting from their exports. Thereby the Italian exporter is enabled to use this 50% to purchase raw materials or other goods. It is not necessary, however, for the exporter to use this credit, as he is permitted to transfer it to a third party, but it must be used within ninety days of allocation, otherwise it reverts to the Treasury. The decree contains two lists of merchandise. One list is merchandise freely importable, subject only to a Customs Import Licence, the other is subject to licences issued by the Ministry of Foreign Trade. No reserved commodities are included in this second list.

14. Figures for exports for the month of March were not available. Details of February shipments amounted to a gross weight total of approximately 26,000 tons of goods exported from ITALY during the month, as against 5,000

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

9. During March the Council of Ministers announced the adoption of a new foreign exchange policy whereby 50% of current foreign exchange accruals will be left at the free disposition of the exporter. Exporters may use such amounts for the purchase of goods abroad or may sell their exchange to other Italian importers. Two general restrictions were announced: the commodities that can be purchased with the retained exchange will be limited to a list to be published, and the retained exchange must be utilized within a given time-period.

COMMERCE (FOREIGN TRADE) BRANCH.

10. During the month this Branch was engaged mainly upon the Italian Government programme of import requirements of reserved commodities. Following the directive from [illegible] a system was worked out to include Zone 'A' VENEZIA GIULIA in the foreign trade system for the rest of ITALY.

11. A commercial contract was signed with DENMARK on 2 March, and trade discussions took place between representatives of the CZECHOSLOVAKIAN and ITALIAN Governments. Arrangements were being made for invitation to ROME of Polish Commercial Delegations from WARSAW.

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14. Figures for exports for the month of March were not available. Details of February shipments amounted to a gross weight total of approximately 26,000 tons of goods exported from ITALY during the month, as against 5,000 tons during January. The total value amounted to approximately nine million dollars. This represented a considerable increase over January shipments whose total was about 1,140,000 dollars.

INDUSTRY DIVISION.

15. Since the main supply functions were taken over by the Bureau of Industrial Rehabilitation, the duties of the Department were chiefly connected with the handling of requests for the derequisition of Industrial premises and the screening of supply requests for VENEZIA GIULIA and UDINE. Numerous

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

requests for the derequisition of industrial premises were dealt with, an appreciable number of these were successful, and the plant and factories were returned to the owners.

16. Industrial activity continued at a steadier rate during March with better coal supplies, but the American coal strike had a detrimental effect on the gradually recovering economy of ITALY. The amount of imported coal discharged during the month totalled 623,000 tons and in addition 99,000 tons of Sardinian coal was discharged on the Mainland and in SICILY. There was an increase in production of approximately 15,000 tons of Sardinian coal during the month over the February production figures. Approximately 149,000 tons of lignite was produced during March. The transfer to UNRRA of the responsibility for coal supplies to ITALY, excluding VENEZIA GIULIA and UDINE, was completed during the early part of this month.

17. All electric power rationing controls in North ITALY were removed at the end of March, with the exception of the use of electric steam boilers; the thermal plants in North ITALY were discontinued and the surcharge for thermal plant operation was also dispensed with due to the improved situation. All Advisory Committees complained of the excessive charges by manufacturers for rehabilitating generating and transformer equipment. This was partly due to the government prices of raw material to manufacturers. In some cases this amounted to five and six times the imported price. The SILA reservoirs supplying Southern ITALY were about 100,000,000 KWH short of the normal storage at this time of year. Lack of normal snow and rainfall were the causes and storage reservoirs in Central ITALY were also below normal for the same reason.

18. During the month the principal North ITALY manufacturing plants producing transformers, generators, turbines, and transmission equipment were found to be in a good position technically. However, the cost of materials was causing the utility companies to be slow about taking orders. The shortage of certain insulating materials, metallurgical coke, magnetic steel sheets also affected the output. These manufacturers are capable of producing about one million KW of rotating machinery and about 3 million KVA of transformer capacity per year.

TRANSPORTATION AND SHIPPING BRANCH.

19. About 86% of the lines of the Italian Railway System were available for traffic during the month although long stretches of what were double track were being operated on single lines, and a large number of the bridges destroyed were only open to traffic by means of temporary bridges. The AREZZO-FLORENCE line was reopened, thus saving about three hours running time between ROME and FLORENCE. Rolling stock continued to be in short supply, but it is hoped that a considerable part of the rolling stock removed by the Germans will be returned in the near future. Only 40% of the prewar total of steam and electric locomotives were available. During the month congestion of loaded wagons occurred in the NAPLES and ROME area requiring a curtailment of civil loadings.

20. There was a total of 42,960 load-carrying vehicles in operation on 31 March.

21. A total of 204,146 tons were moved by coastwise shipping during the month. Three ships were nominated for the Argentina grain run and will sail [illegible] satisfactorily

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

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18. During the month the principal North ITALY manufacturing plants producing transformers, generators, turbines, and transmission equipment were found to be in a good position technically. However, the cost of materials was causing the utility companies to be slow about taking orders. The shortage of certain insulating materials, metallurgical coke, magnetic steel sheets also affected the output. These manufacturers are capable of producing about one million KW of rotating machinery and about 3 million KVA of transformer capacity per year.

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20. There was a total of 42,960 load-carrying vehicles in operation on 31 March.

21. A total of 204,146 tons were moved by coastwise shipping during the month. Three ships were nominated for the Argentina grain run and will sail in April. Reconstruction and rehabilitation of ports progressed satisfactorily and loadings and discharges of ships increased.

CAPTURED ARMY MATERIALS BRANCH.

22. As a result of planning during February, the handover to the Italian Government of CEM Depot No. 1, BOLZANO and CEM Depots Nos. 1 and 2 MERANO was carried out smoothly. Inventories and documents were in first class order, and all material in good condition, well packed and stacked. The material in No. 1 BOLZANO Dump was of a considerable tonnage and included enormous quantities of electrical, carpentry, plumbing, bootmaking and marine equipment, engineering, building and raw materials (metal), vehicle tyres (unuseable)

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

5136

and cycle tyres, newsprint and other paper, cement, asbestos and miscellaneous equipment of all kinds. The chief representative of AFHQ, Dott. De Benedittis and his Italian staff expressed the opinion that, without having visited the Depot, it was impossible to believe the magnitude of the material. The Depots at [illegible] contained mainly textiles of practically every kind, including bales of silk, woollens, cotton and large quantities of finished garments and carpets. There was also over 1,500 kilos of silverware, such as tea and coffee services, trays, table cutlery, ornaments etc. The value of the three Depots goes into many millions of dollars or pounds sterling. Dott. De Benedittis expressed enthusiasm for the manner in which the handover had been carried out and was appreciative of the great value to ITALY the material would be. A vehicle dump consisting of over 300 car and truck carcasses all considered scrap was handed over at the same time.

23. The handover of CMI vehicles in the Ufficio Autotrasporti was effected during the month. The vehicles were originally in the hands of the German and Italian armies, and had been used to form transport pools by AMG in the four Regions in the North, and were operated by the Ufficio Autotrasporti under AC/AMG direction. There were 312 General Releases and 224 Ammunition Dump releases during the month. 107 vehicle hulks, which were in possession of civilians and which had not previously been reported, were sold for 1,616,000 Lire, and this sum was placed in the Bank of ITALY.

24. Further large amounts of ammunition were made available to the Italian Government, but no start was so far made in the breaking down of this ammunition into component parts for use in industry.

VENEZIA GIULIA / UDINE SUPPLY AND OPERATIONS BRANCH.

25. Of the approximate 57,476 tons of foodstuffs requisitioned for the first four months for the area some 16,000 tons arrived with approximately 20,000 additional tons notified as set up for shipment for arrival in the latter part of April. No coal arrivals were received against requisitions for the area. Adjustments of existing allocations and loans effected an average of 18,509 tons per month for the combined requirements of 22,000 tons for the area. POL requirements were met from local and military sources.

26. Medical, signal and agricultural requirements were approved. In the case of the medical and signal equipment, considerable quantities were authorised for procurement ex theatre stocks. Textile and shoe requirements were partially approved. Consignments ex theatre stocks of 311,500 undershirts, 5,985 pairs of hose and 113,000 woollen blankets were made by AFHQ.

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

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

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

PART IV.

PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS.

PUBLIC RELATIONS BRANCH.

1. There was a continuation of considerable activity during the month for reasons that Allied neutral and Italian correspondents still made heavy demands on PRB for aid, information and interviews. Several such interviews were arranged with the Chief Commissioner, and branches and sub-commissions of this Headquarters. Entry to TRIESTE during the visit of the Allied Investigating Commission was arranged for a party of 21 Allied and neutral correspondents, at the request of the Italian Government. Routine travel arrangements for correspondents, including Italians, to visit TRIESTE were continued in cooperation with XIII Corps.

2. Several press releases were issued including an important one on the repatriation of large numbers of Italian POW from INDIA. Nearly 40 daily news bulletins from TRIESTE were relayed to the press. The Bulletin was continued and a Bulletin article about VENEZIA GIULIA was made available for re-use by the British Ministry of Information through the British War Office. Full reports on administrative election returns were made weekly in the Bulletin. The Daily Digest of the ROME press was continued and normal services continued in the library section.

NAVY SUB-COMMISSION.

3. Arrangements were made during the month whereby the Italian Ministry of Marine was made responsible for the supply of Sardinian coal to the Italian Navy. CC.S.A.N. undertook to make available the required tonnage of shipping to ensure a regular monthly supply. In common with the Air Force Sub-Commission, the Italian Government was provided with an estimate of the food requirements of the Italian Royal Navy for the period June to December 1946 with a view to the Italian Government assuming the responsibility for the feeding of the Italian Royal Navy as from 1 June 1946. The Royal Navy is making available to the Italians coal from its own stocks at NAPLES and by diverting a collier to the ports of LEGHORN and NAPLES, to enable the minesweepers to begin operations without waiting for the arrival in ITALY of suitable coal under the national import programme from which Italian naval requirements are now met.

4. All British minesweepers departed from LEGHORN at the beginning of the month. Minesweeping is now entirely in Italian hands under the direction of the Mediterranean Zone Clearance Board. A meeting was held with the Italians in March to acquaint them with the difficulties facing them. They seemed very enthusiastic at the prospect of assuming complete responsibility in regard to all minesweeping matters. By the middle of March all of the crew to man the 32 sweepers turned over to the Italian Navy by the Royal Navy had taken possession of their ships and operations proceeded successfully.

5. The Italian cruisers continued to be employed in lifting POW back to ITALY. All POW are expected to be repatriated from NORTH AFRICA by 1 June if vessels now employed on this work can be kept operational. 40% of the prisoners in INDIA have been repatriated. In the week ending 24 March 11,000 men were returned Home leaving an estimated 315,000 overseas. The "GRIFFEL"

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LAND FORCES SUB-COMMISSION (M.I.A.)

6. Disbandment of US-ITI and UK-ITI units continued steadily. The Ministry of War asked that the position of Italian units be reviewed with a view to accelerating disbandment and the release of specialists. Italian army strength as at 1 March was 133,039 excluding 62,409 Carabinieri. The situation as regards Carabinieri mobile battalions was improved considerably. Of the 12 battalions, 4 were 100% up to war establishment, 4 were 80% and the remainder were 50% or less. The transport recently obtained was in good condition. Arms and ammunition were satisfactory and the battalions were supplied with

5137

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

3.7 mm. ammunition. A new allocation of 168 Stalhound armoured cars for mobile battalions was made, delivery expected by the end of May.

7. The War Ministry was asked by the Cabinet to consider a possible reduction in the strength of the army from 140,000 to 100,000 or even 80,000 for economy reasons. However, the Prime Minister was informed that while appreciating financial difficulties the Allies could not consider a reduction of the army strength below approximately 140,000 while there continued to be a large number of redundant civilians carried on the army budget.

ITALIAN PRISONER OF WAR DIVISION.

8. Progress continued with the repatriation of Italian prisoners of war, figures forthe month of March being as follows:

From British hands	39,226
From U.S. hands	4,672
From other sources	6,657
Total	52,555

AIR FORCE SUB-COMMISSION.

9. During the month a period of good flying weather coupled with an improved petrol position enabled a full programme to be operated. Spares were still awaited for aircraft, the principal requirements being airscrews, engines and tail wheel tyres. The uncertainty of the future tended to lower morale in most stations but the morale of the Bomber Transport Wing was excellent and this wing continued to seem the most satisfactorily organised.

10. A thorough review was made of the aircraft situation in the Refresher Flying School and proposals were under consideration regarding the establishment of a constructive long term policy for the supply and maintenance of training aircraft which would enable the school to operate a standardised training programme. Pilot instructors were of a low average standard and were hindered in their work by a lack of suitable equipment.

11. Due to the closing down of all RAF Air Sea Rescue Units the Italian air force took over the whole of ASR, thus furnishing the only service in ITALY. Further meteorological stations were opened during the month making a total of 128 stations in the Italian Meteorological network.

12. The actual active strength of the Italian Air Force was approximately 22,000 excluding those being paid at home. All IAF personnel of the 1922 class were demobilised, and another 700 POW were repatriated, 400 being released at the end of their homecoming leave.

13. The projected air services from SARDINIA to ROME and from VENICE to MILAN for the purpose of transporting fish and medical relief supplies remained in abeyance due to the apparent unwillingness of the Air Ministry to sign the contract and the reluctance of the High Commissioner to allow fish out of the country. Italian internal air mail services were in operation by all Italian courier lines but the use made by the public of these services was not as great as was expected probably because mail services by rail are constantly improving. Air mail service conveyed by the RAF operated also to LONDON, BUCHAREST, TRIESTE, SOFIA, ATHENS, BELGRADE, MALTA, PARIS and MARSEILLES.

14. The Italian Government was granted permissive authority for the running

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

From other sources	3,657
Total	[illegible]

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14. The Italian Government was granted permissive authority for the running of Italian civil airlines which did not include gliding, club or private flying. The regulation of commercial aviation in ITALY will henceforward be the responsibility of the Italian Air Ministry (Department of Civil Aviation)under the Air Force Sub-Commission. Part of the activity of the aviation firms slowed down due to lack of new contracts from the Air Ministry.

15. All CEM Depots have been handed over to the Italian Government with the exception of the VERONA Depot.

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

COMMUNICATIONS SUB-COMMISSION.

16. Airmail services were extended to cover most parts of AFRICA, the MIDDLE EAST and the FAR EAST. International telephone and telegraph facilities were increases between ITALY and FRANCE via MODANO. Inter-urban telephone services between VENEZIA GIULIA and the rest of ITALY were improved.

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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

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Sincerely,

Allen H. Stone

Allen H. STONE
Rear Admiral, USNR
Chief Commissioner

5136

	Init.	Date
VP CA Sec		
Public Safety		
Public Health		
Legal		
Local Govt		
Patrols		
Comm		
Education	ER	3.5
M, A & A		
Ca Sec		

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25 APR 1946

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HEADQUARTERS ALLIED COMMISSION
APO 394

MONTHLY REPORT

FEBRUARY - 1946

Ref: 824/30

15 April 1946

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	CR	P.S
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HEADQUARTERS ALLIED COMMISSION
APO 394

MONTHLY REPORT

FEBRUARY - 1946

Ref: 824/80

15 April 1946

CONFIDENTIAL

5185

		VP CA Sec
		Public Safety
		Public Health
		Legal
		Local Gov
		Plans
		Diaper
		Education
		JTA & A
		Ca Sec

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ALLIED COMMISSION A600

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

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HEADQUARTERS ALLIED COMMISSION
APO 394

MONTHLY REPORT

FEBRUARY - 1946

INDEX

		Page No.
	POLITICAL SUMMARY	1 - 2
PART I -	LIAISON GROUP REPORTS	3 - 11
	Liguria Liaison Group	3
	Lombardia Liaison Group	3 - 4
	Piemonte Liaison Group	4 - 5
	Venezia Liaison Group	5
	Naples Liaison Group	6
	Livorno Liaison Group	6 - 7
	Bari Liaison Group	7
	Sicily Liaison Group	7
	Bologna Liaison Group	7 - 8
	Bolzano Liaison Group	8
	AMG Udine	8 - 10
	AMG Venezia Giulia	11
PART II -	CIVIL AFFAIRS SECTION	12 - 15
	Local Government Sub-Commission	12
	Legal Sub-Commission	12 - 13
	Public Health Sub-Commission	13
	Public Safety Sub-Commission	13 - 14
	Monuments, Fine Arts & Archives Sub-Commission	14
	Displaced Persons & Repatriation Sub-Commission	14 - 15
PART III -	ECONOMIC SECTION	16 - 19
	Food Division	16
	Agriculture	16 - 17
	Finance Branch	17
	Commerce Sub-Commission	17 - 18
	Industry & Utilities Sub-Commission	18
	Labour Sub-Commission	18
	Transportation and Shipping	18 - 19
	Captured Enemy Materials Branch	19
	Requisition Branch	19
	[illegible]	20 - 21

INDEX

		Page No.
	POLITICAL SUMMARY	1 - 2
PART I -	LIAISON GROUP REPORTS	3 - 11
	Liguria Liaison Group	3
	Lombardia Liaison Group	3 - 4
	Piemonte Liaison Group	4 - 5
	Venezie Liaison Group	5
	Naples Liaison Group	6
	Livorno Liaison Group	6 - 7
	Bari Liaison Group	7
	Sicily Liaison Group	7
	Bologna Liaison Group	7 - 8
	Bolzano Liaison Group	8
	AMG Udine	8 - 10
	AMG Venezia Giulia	11
PART II -	CIVIL AFFAIRS SECTION	12 - 15
	Local Government Sub-Commission	12
	Legal Sub-Commission	12 - 13
	Public Health Sub-Commission	13
	Public Safety Sub-Commission	13 - 14
	Monuments, Fine Arts & Archives Sub-Commission	14
	Displaced Persons & Repatriation Sub-Commission	14 - 15
PART III -	ECONOMIC SECTION	16 - 19
	Food Division	16
	Agriculture	16 - 17
	Finance Branch	17
	Commerce Sub-Commission	17 - 18
	Industry & Utilities Sub-Commission	18
	Labour Sub-Commission	18
	Transportation and Shipping	18 - 19
	Captured Enemy Materials Branch	19
	Requisition Branch	19
PART IV -	PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS	20 - 21
	Public Relations Branch	20
	Navy Sub-Commission	20
	Land Forces Sub-Commission	20
	Air Forces Sub-Commission	20 - 21
	Communications Sub-Commission	21

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

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

POLITICAL SUMMARY.

1. Decisions of the highest importance were taken by the Council of Ministers during the month in regard to the Convocation of the Constituent Assembly and the powers that body will wield. As regards the appointment of the members of the Cabinet the Prime Minister offered two solutions: either to empower the Assembly directly to make the choice or to form the Cabinet by distributing the portfolios among the six parties in accordance with the results of the elections. Some progress was made in examining a plan which entailed the submission of a draft law defining the powers of the Constituent Assembly to the electors in order that they might express their opinions by a simple "yes" or "no."

2. The Liberals, Labour Democrats and Christian Democrats were in favour of a referendum on the institutional question but the Socialists and Communists were not. The latter two parties held the same view, were in favour of a civil regency and were apparently not opposed to a referendum for the setting up of a three-member civil regency. However, when the full Council of Ministers met it approved a referendum on the institutional question to be held at the same time as the elections for the Constituent Assembly. The Council completed its discussions on the law for the political elections and on the law on the powers of the Constituent Assembly. The formula of the Referendum was altered and it was definitely decided that the question to be asked should be "Monarchy or Republic".

3. Earlier in the month the Council of Ministers met and discussed the provisions for "reduci" (war veterans). Funds were approved for housing construction for "reduci" and provision is now under study for their employment in the Government.

4. The Consulta reopened on 11 February when the delegates were asked by DE GASPERI to concentrate their discussions principally on the political election law in view of the necessity of early political elections. The President of the Council, referring to earlier Government pronouncements, said it was realised that amendments and amplifications of this earlier legislation were necessary. The discussions of the Consulta touched principally on the problem of the compulsory vote, proportional representation and the necessity for a referendum on the institutional question.

5. The resignation of the Action Party Ministers from the Government followed the passing of a motion proposing to dissolve the CLN's with the Constituente and to call the Constituente before the Peace Treaty. The motion included proposals regarding the sovereignty of the Constituente, the adoption of more efficient social and trade union policies, immediate and far reaching changes in the high ranks of the armed forces, internal administration and diplomatic corps and the achievement of international solidarity. It is open to speculation as to whether Signor PARRI will merge his dissident Action Party bloc with the Republican Party though PARRI himself denied that his presence at the Italian Republican Party Congress had any such significance.

6. The Minister of the Treasury speaking on the various aspects of Italy's relations with the Allies dwelt particularly on the issue by them of AM Lire.

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

...no."

2. The Liberals, Labour Democrats and Christian Democrats were in favour of a referendum on the institutional question but the Socialists and Communists were not. The latter two parties held the same view, were in favour of a civil regency and were apparently not opposed to a referendum for the setting up of a three-member civil regency. However, when the full Council of Ministers met it approved a referendum on the institutional question to be held at the same time as the elections for the Constituent Assembly. The Council completed its discussions on the law for the political elections and on the law on the powers of the Constituent Assembly. The formula of the Referendum was altered and it was definitely decided that the question to be asked should be "Monarchy or Republic?".

3. Earlier in the month the Council of Ministers met and discussed the provisions for "reduci" (war veterans). Funds were approved for housing construction for "reduci" and provision is now under study for their employment in the Government.

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6. The Minister of the Treasury speaking on the various aspects of ITALY's relations with the Allies dwelt particularly on the issue by them of AM Lire. He expressed the hope that the British Government would accede to the repeated requests of the Italian Government to grant the sterling equivalent. 5134

7. The Uomo Qualunque movement was much in prominence during the month and it announced that it will act together in concert with the Italian Democratic Party during the coming elections. It would appear that the heads of the various political parties had made a "Gentlemen's" Agreement that the elections and the campaign preceding them should be conducted without violence or disorder.

8. There was close interest and considerable pessimism displayed in the press regarding the drafting of the Italian peace treaty in LONDON. The

pessimism is due to the slow progress of the Committee and fear has been expressed that the draft peace treaty will not be ready by May for the PARIS Peace Conference. The plan for UNO administration of Italian Colonies has been received with mixed feelings. The Prime Minister in an interview stated that the Italian Government was opposed to the resolution of frontier problems by plebiscite and favoured the adoption of the WILSON Line as a basis for the settlement of the VENEZIA GIULIA question. He declared that ITALY would never recognise JUGOSLAVIA's claim to TRIESTE or Austrian pretensions on the Upper ADIGE. Commenting on the above, the press interpreted DE GASPERI's statements as meaning not that ITALY voluntarily give up her claims to FIUME and ZARA but the loss of these two represented the maximum sacrifice acceptable to the Italian Government.

9. Satisfaction was expressed that RUSSIA had agreed with the American and British position which assured ITALY that MOSCOW's decisions in no way altered those taken at POTSDAM. The press has repeatedly stressed the opinion that a definite Italian peace treaty will be postponed for the time being and a revision of the armistice terms will regulate ITALY's international position. This impression was reinforced by the information that MOSCOW has replied favourably to the UNITED STATES and BRITISH note proposing a modus vivendi for ITALY.

10. It was reported that a commercial agreement between ITALY and BELGIUM was signed in ROME during February and that negotiations will be completed with the conclusion of a financial agreement.

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

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

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

[illegible] (most of whom are Allied seamen) who use small boats and meet ships whilst [illegible] waiting to enter the port. No serious crimes were, however, reported.

3. February was the most successful month since the Liberation both for the port of GENOA and SAVONA, and increased tonnages covered the following: coal, grain, cotton, steel and phosphates for agricultural purposes. The condition of the quays damaged by the bombardment, however still left much to be desired. More accommodating in the port of GENOA was completed, and additional berths were made available. The Bacaccia dry dock which was urgently needed for schooners and small coasters is now functioning. The main cargo discharged at SAVONA was coal and as long as the port can maintain an average of 200,000 tons no further reconstruction work is likely in the near future. It was agreed that no sea going vessels would enter the port of S. STEFANO. During the month about 5,000 tons of cargo was discharged by small ocasters and coastal vessels.

4. The grain and flour supply for the region has been assured until about [illegible] month. The present season promises well, the weather has been good and the crops are coming along very well.

5. Refugees of French nationality continued to be sent to FRANCE but the number increased slightly towards the end of the month.

6. The labour situation was generally calm, although the PATRONAT presented a problem. A strike of St'te employees in GENOA lasted 5 days, and was ended when they were informed that their request (an increase of the bonus for high cost of living similar to the one granted to larger cities) would be satisfied at the end of the month. There were 3 other strikes by employees in the Porto di NAPOLI, Insurance companies and theatres and cinemas, but they were all settled after prolonged discussions.

7. Both telegraph and telephone services were improved as work was carried out on routes and exchanges. A number of circuits have been resumed and traffic is now cleared with less delay than usual. During the first fifteen days of February all bids for haulage by road were successfully carried out, and the Italian Government Truck Pool "ASAR" was able to carry out port clearance in spite of the - S.P.A.A. shortage. No difficulties were encountered with movements by rail into CUNEO Corridor and traffic South of ROMA. During the month a percentage of coal received was despatched to SWITZERLAND. Work continued on the reconstruction of railway lines throughout the Region satisfactorily, although the lack of material caused some delay. On 1 Feb 46 the first train from MARSEILLE arrived at VENTIMIGLIA with several French Authorities aboard.

LC/ALLIED LIAISON GROUP.

8. On the eve of local municipal elections the political front was [illegible] to the official handling of such issues as the referendum on the institutional question and the ostensible vote. The outspoken claim for the integrity of Italian territory [illegible] helped to create a more peaceful atmosphere among the political parties [illegible].

9. On the part of the Socialists there was a growing tendency to become autonomous. In most Communes and especially where Socialists had to obtain the majority, Socialists and Communists are submitting two separate lists of candidates.

10. The outstanding feature of the month was the remarkable successes achieved by the MILAN Police - particularly the Gambinieri - which carried for them the very [illegible] of the public. There was little improvement in the supply of clothing,

5133

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

equipment, transport, arms, ammunition and P.O.L. during the month. Relations with all Allied Military Police and Security formations were very satisfactory. The Carabinieri and Agents were very active in dealing with unlawful possession of arms, and forty-one raids were made during the month resulting in the arrest of thirty seven persons. The crime situation slowly improved except in the City and Province of MILAN where there were 72 armed hold-ups or raids.

10. Cost of living generally decreased. The tendency was for prices of goods and commodities to sag and both wholesalers and retailers complained of bad trade. The bread situation was difficult owing to delay in the arrival of imported grain, and the deficiency was met by withdrawals from reserve stocks and from EMILIA.

11. The Labour situation remained unchanged; unemployment appeared to be a threat to both employers and employed who sensed the lurking danger in its growth. Industry generally was faced with the same difficulties as for the previous month. The enforced retention of unproductive labour was still great, and the limited possibility of dismissing excessive personnel on a monthly scaled rate is of a serious concern from the financial standpoint.

12. The cotton spinning and wool combing and spinning industries were generally better off, and it was reported that some 100 million tons of textiles are still in stock in North ITALY, but high prices and inferior materials production are obstacles to selling. It was reported that during the first fortnight of February the Pirelli works produced 8500 car and 500 truck tyres.

13. Drastic reductions in power supplies were enforced throughout the Region and the rest of North ITALY, along the lines of AFHQ orders issued in November and December 1945. In spite of demonstrations and threatened strikes, especially in the industrial west world, the rationing of light and power was ultimately accepted as inevitable. It is now felt that the peak of the crisis is past, and that it will be possible to carry on without further restrictions until the spring thaw sets in to refill the mountain reservoirs.

14. Public Works during the month to the extent of 2,309,965.00 lire employing 16,307 workers were carried out.

15. A total of 3568 displaced persons passed through the refugee camps during the month. The general state of the refugees was deplorable. The standard of personal hygiene was very low and there were many cases of Scabies.

16. Repatriation of Italian miners and families to BELGIUM and FRANCE from NOVARA and MILAN to GENOA and then to NICE still proceeded. A considerable financial saving was made by using troop transportation for repatriation to FRANCE.

17. Work continued satisfactorily on the railways. Closest liaison was maintained with the I.S.R. and settlement of any difficulty was promptly effected. Owing to trucking difficulties, delay was experienced in carrying goods by air.

PARTISAN LIAISON GROUP.

18. Better use was made by Italian agencies of Italian channels of communication during the month, and the tendency to consider the liaison groups as successors to A.C.C. began to disappear. There was considerable political activity, and allegations were made that Left Wing groups had purchased arms for use at election time. Municipal elections were conducted and administrative elections will be held in [illegible]

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

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18. Public Works during the month to the extent of 2,829,965.00 lire employing 16,307 workers were carried out.

19. A total of 2568 displaced persons passed through the refugee camps during the month. The general state of the refugees was deplorable. The standard of personal hygiene was very low and there were many cases of Scabies.

20. Repatriation of Italian miners and families to BELGIUM and FRANCE from NORTH and CENTRAL ITALY to GENOA and then to NICE still proceeded. A considerable financial saving was made by using train transportation for repatriation to FRANCE.

21. Work continued satisfactorily on the railways. Closest liaison was maintained with the A.C.C. and settlement of any difficulty was promptly effected. Owing to trucking difficulties, delay was experienced in carrying goods by air.

PIEDMONT LIAISON GROUP.

1. Better use was made by Italian agencies of Italian channels of communication during the month, and the tendency to consider the liaison groups as successors to A.C. began to disappear. There was considerable political activity, and allegations were made that Left Wing groups had purchased arms for use at election time. Electoral lists are being completed and administrative elections will begin in March. Local government was satisfactory and there was no tension at the French border, although some propaganda from French newspapers was observed.

2. The food situation was reasonably good except for a shortage of pasta, rice, and fats. A shortage however, is anticipated by the middle of March unless supplies of grain arrive.

3. The FIAT factory in PIEDMONT was in operation, although work was seriously handicapped by lack of fuel and power. The electric power shortage continued to cause concern, but as a result of economy measures a 15% decrease over forecast consumption was made.

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

1. Fresh supplies were almost negligible, and fertilisers were in short supply.

22. On trade for a closer association of capital and labour was created by an agreement between the FIAT management and its workers for the creation of a "Consultative Works Council", and the wage contract for Northern FIAT was completely applied and minimum wages fixed.

23. Public works projects, instituted by AMG before the handover, were carried out, thus giving much useful employment.

24. The situation regarding public order remained unchanged, and there were no mass demonstrations of any magnitude and no instances of mob violence. Crime however appeared to be increasing, although police measures generally were successful in dealing with it. Incidents of highway robbery diminished although there continued to be incidents of cases of serious robberies from private houses. A certain amount of clandestine arms were also recovered by the police during the month. The Carabinieri however did not show much initiative, chiefly through fear of offending the political parties, and the severity of, and delay in, operation also prevented their morale.

25. Public health was satisfactory and schools functioned well, bearing in mind the difficulties of communications, housing and shortage of teachers.

26. With the opening of the MODANE - FIRENZE railway line a more direct route to north has been available, and highways were in a satisfactory condition except for the lack of bridges.

VENEZIA GIULIA ZONE.

27. Generally the political situation was quiet in the VENEZIA; it appeared that the Christian Democrats were in the majority, except in the large towns. In the opinion of the party leaders, the administrative elections will reveal party strengths, but only the political elections can define the role of each party in the national life.

28. Former Prefects have now taken up office in four out of eight provinces.

29. As far as can be judged from reports, all the provinces except TRIESTE, are well advanced in their preparation for the elections. In TRIESTE, however, out of 127 Communes, only 62 will be voting on the proscribed days. The remaining 65 communes are all affected by a strong demand for autonomy among many of the fractions of which they are composed. According to the Prefect, these claims for communal autonomy cannot be settled until after the political elections, and therefore the administrative elections must be postponed until a later date.

30. Several demonstrations took place in the region during the month, in protest against taxes, unemployment and the general economic situation, but in the great majority of cases there was no disorder.

31. Agents of Public Security and the C.R. continued to work with increasing confidence and the number of crimes compared favourably with that of last month.

32. Health of the population was satisfactory, but a few cases of small-

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

[illegible] attitude and no instances of mob violence. Crime however, to be [illegible], although police methods generally were successful in dealing with it. Incidents of highway robbery continued although there continued to be evidence of cases of serious robberies from private homes. Certain arrests of clandestine arms dumps also recovered by the police during the month. The Communist however did not show much initiative, mainly through fear of offending the political parties, and the severity of, and delay in, operation also affected their morale.

25. Public health was satisfactory and schools functioned well, bearing in mind the difficulties of communications, housing and shortage of teachers.

26. With the opening of the [illegible] railway line a more direct route to meet the trade available, and highways were in a satisfactory condition except for the lack of bridges.

VENEZIA GIULIA.

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28. Caretaker Prefects have now taken up office in four out of eight provinces.

29. As far as can be judged from reports, all the provinces except TRIESTE, are well advanced in their preparation for the elections. In TRIESTE, however, out of 427 Communes, only 67 will be voting on the prescribed days. The remaining 65 communes are all affected by a stir to movement for autonomy many of the fractions of which they are composed. According to the Prefect, these claims for communal autonomy cannot be settled until after the political elections, and therefore the administrative elections must be postponed until a later date.

30. Several demonstrations took place in the region during the month, in protest against taxes, unemployment and the general economic situation, but in the great majority of cases there was no disorder.

31. Agents of Public Security and the C.M.L. continued to work with increasing confidence and the number of crimes compared favourably with that of last month.

32. The health of the population was satisfactory, but a few cases of small-pox occurred in VENICE. 5132

33. Prospects for crops were excellent, and the recent change to mild wet weather was welcomed.

34. The risk of or unemployment continued to cause serious concern, and between 90,000 to 95,000 are out of work in the 3 provinces most seriously affected. To cope with this problem there is widespread desire heard on all sides that facilities be granted without delay for Italian workers to emigrate to AUSTRALIA and thirteen million lire have already been allotted for the repair of war damaged houses in order to provide work.

35. During the last days of February grain stocks for the bread ration were sufficient to last only to the end of the month and the provision of pasta also caused increasing anxiety. There were no stocks of sugar available for the month of March; prices however showed a reduction of from 70% to 40%.

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

NAPLES LIAISON GROUP.

36. February was a quiet month politically; there was the usual large number of small political meetings, but none of them was important. The Comune elections will begin on 10 March and will continue on successive Sundays thereafter. Elections in the large centres such as NAPLES and CASERTA will take place in April.

37. The stock of grain on 28 February was under 200 tons at CASTELLAMARE and TORRE ANNUNZIATA. In the other provinces the stock varied between 32.735 quintals (NAPLES) and 5.402 quintals (BENEVENTO). The pasta ration had been distributed in the province of COSENZA up to August 1945, CATANZARO up to November 1945 and REGGIO CALABRIA up to December 1945. However it was noticed that bread, pasta, flour and sugar (all rationed commodities) could be bought freely and openly without a ration card. More wheat was sown during the winter than in 1944/1945 and harvest prospects are good provided rain comes in March.

38. There was some labour unrest during the month and in the last week 3 strikes were called simultaneously. Employees of an electric concern struck against the terms of a new agreement, but after 6 days of negotiation a settlement was obtained and a stoppage of electric power avoided. There were five other strikes or lockouts in NAPLES Area and two in CAMPOBASSO during February.

39. There was a small increase in crime, and and increase in the already high proportion of arrests. The most serious disturbance occurred on the night of the 25th when there was a fight and an exchange of shots between French soldiers and Italian sailors. It resulted in the death of one Italian civilian and injury to 6 persons. Carabinieri mobile squads continued to work well; combined raids by MPs and Carabinieri resulted in the seizure of fire arms, tyres and fuel oil. The latter were however still short of equipment and transport.

40. No serious epidemics were reported during the month and smallpox decreased.

LIVORNO LIAISON GROUP.

41. There was wide spread political activity throughout the Region, and the Communist Party appeared to lose considerable ground. The several political parties were quite cordial and the fight over obligatory voting did not arouse much interest in the man in the street. Preparations for the administrative elections were nearly completed.

42. The security situation during the month was excellent and there were no violent political upheavals, strikes or lockouts and as a result public morale improved. Although there was no widespread crime of a serious nature pilferage of PBS installations continued on a wide scale. Many thieves were killed and others badly wounded by Military Police and Military Guards. Carabinieri and Guardia P.S. Agents cooperated with Military Police authorities, and appeared to be more active and more sure of themselves especially in areas where Military Police were also operating. The Guardia di Finanza, now much enlarged in LIVORNO Province, took over their big job of handling the newly re-opened Italian part of the large port area. Italian lawcourts functioned fairly well everywhere except in the immediate LIVORNO Zone Area. (See page 12, Legal G/O report).

43. Lack of raw materials, fuel, power and tools continued to hamper industry

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

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43. Lack of raw materials, fuel, power and tools continued to hamper industry, and transport of materials to the factory and of the furnished product was another difficulty which has not yet been overcome. The process of re-building or repairing war damaged factories was slow and all provinces were in need of additional funds for road repairs particularly on the special and communal highways.

44. In FIRENZE, AREZZO, SIENA, PISTOIA, LUCCA and LIVORNO Provinces the shortage of food was most acute, and little reserve was on hand to last more than the month of March. The more pronounced shortages were in flour, oil, pasta and the generally rationed items. In SIENA, PISA and GROSSETO Provinces however the shortages were not so acute, but the black market continued to be patronized by people who could ill afford it.

45. There was a gradual decline of displaced persons in the Region, and the C.L.N. handled the problem most efficiently.

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

46. There were no epidemics and public health was generally satisfactory.

47. There was a vast amount of unemployment everywhere and the returning ex-prisoners of war swelled the ranks of the already large army of unemployed. Public service employees demanded increase of pay in order to meet the ever increasing cost of living.

BARI LIAISON GROUP.

48. A very appreciable percentage of the population in the BARI Area appeared to be apathetic to the forthcoming administrative elections; the UOMO QUALUNQUE party seemed to be gaining strength and was far more in evidence than it was a short time ago. The Communist party in ANDRIA was very active but in adjoining towns such as TRANI, CANETTA etc. the Christian Democrats and the Uomo Qualunque were more in evidence.

49. Much trouble was experienced in the LECCE camps for displaced persons where large numbers of the hooligan type of refugee made themselves objectionable to the Italian civil population.

50. Public health was generally good although there were four fresh cases of smallpox.

51. All provinces have begun to carry out repairs to roads etc., and much has already been achieved in the province of FOGGIA where the percentage of war damaged buildings is very high.

52. Dock clearance by road transport proceeded satisfactorily during the month and rail traffic to the north increased. There was a serious shortage of tyres and tubes for public transport services.

SICILY LIAISON GROUP.

53. No important changes in general conditions were noticed; tension on the part of the population in PALERMO and TRAPANI provinces owed as the centre of bandit activity shifted from those provinces to CATANIA and CALTANISSETTA. Although it was generally known that the Communist Party had lost prestige in the island, it was clear that they are still well organised and active.

54. Roads in the PALERMO - TRAPANI area became comparatively safe during the month owing to a notable decrease in holdups of cars, trains, and buses. There were however several clashes between bandits, troops and police in CATANIA and CALTANISSETTA; mass arrests were made and the drive by the Government on that area was prosecuted vigorously.

55. Prices for commodities fell, although food prices rose. The grain shortage was still severe. Isolated agitation and strikes by small groups continued, but there was no widespread agitation. Public health was generally satisfactory.

BOLOGNA LIAISON GROUP.

56. All political parties intensified their activities, and the news of the compulsory vote was well received by all parties except the Communists. Some Roo-
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Declassified E.O. 12356 Section 3.3/NND No. 785016

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BOLOGNA LIAISON GROUP.

56. All political parties intensified their activities, and the news of the compulsory vote was well received by all parties except the Communists. Some Neo-fascism literature was circulated in FERRARA Province, attacking the church and family life; the distribution was small and no special significance is attached to it. Local Provincial Government functioned satisfactorily and the population appeared to be gaining confidence in the officials. 5131

57. The food situation deteriorated during the month: all official local resources of grain were finished and the ration of bread and pasta can only be made from grain or flour shipped into the country, and the ships are arriving behind schedule. If all ships arrive, the Region will have sufficient grain until the end of March. There was no distribution of fats, and the sugar ration was reduced to 450 grammes. Meat however was plentiful, although the prices were so high as to be beyond the reach of all except the very rich.

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

58. The food problem continued to be a grave problem. In BOLOGNA on 28 February there was a total of 12,193 unemployed and in the 6 other provincial capitals the figure varied between 1,279 and 4,768. There were no strikes of any consequence, but one or two stoppages of work by groups of about 50 people in the smaller communes occurred.

59. Less money was in circulation, but bank deposits remained high. Communal budgets showed deficits in every case.

60. Public works programmes were carried out, but much delay was caused by the slow machinery for obtaining the necessary funds. Electric power was in very short supply, and it was cut off for two days per week.

61. Italian Courts functioned satisfactorily but very slowly; prisons were overcrowded but no effort was made to free cases more speedily in order to endeavour to reduce the number of inmates.

62. There was great improvement in the Public Safety situation and serious crimes dropped by nearly 50% over the figure for January. CC.RR. continued to improve and their activities against the criminals were most praiseworthy.

63. There were no disorderly demonstrations during the month, although some neo-Fascist activity was noted.

64. Public Health remained good, with no reports of serious outbreaks of infections, or contagious diseases.

65. An improvement was noted in all communications, particularly telephone services.

BOLZANO LIAISON GROUP.

66. The South TYROL Volkspertei has started collecting signatures demanding annexation to AUSTRIA. Autonomist movements also increased and two more were formed during the month. It was decided that the names of streets, shops, notice-boards etc. are to be written in both German and Italian.

67. The Italian law courts were in arrears with their work, chiefly owing to the shortage of personnel; of 52 civil cases only 11, and of 62 penal cases only 24, were tried. The control of the BRENNER Pass is now in the hands of the Italian authorities. Four murders and several armed robberies took place during the month, but on the whole the state of public safety was satisfactory. Road blocks were controlled competently by the Carabinieri.

68. The export of wine to AUSTRIA and SWITZERLAND continued, but wood which was to have been imported from AUSTRIA in exchange for fruit was blocked by the French Military Government, owing to exhaustion of wood throughout AUSTRIA. Grain was scarce and as a result there was a shortage of pasta. The general food situation was, however, satisfactory and meat was plentiful. There was a shortage of agricultural labour and requests for the release of prisoners of war were made.

69. There was some 2,050 unemployed registered on 28 February 1946.

70. 27,522 children have been enrolled in German speaking schools, and 9,214 in Italian speaking schools. 350 Germans were moved to BRENNER from BOLZANO during the month, and a further 240 are awaiting deportation.

62. There was great improvement in the Public Safety situation and serious crimes dropped by nearly 50% over the figure for January. CC.RR. continued to improve and their activities against the criminals were most praiseworthy.

63. There were no disorderly demonstrations during the month, although some neo-Fascist activity was noted.

64. Public Health remained good, with no reports of serious outbreaks of infections, or contagious diseases.

65. An improvement was noted in all communications, particularly telephone services.

BOLZANO LIAISON GROUP.

66. The South TYROL Volkspartei has started collecting signatures demanding annexation to AUSTRIA. Autonomist movements also increased and two more were formed during the month. It was decided that the names of streets, shops, notice-boards etc. are to be written in both German and Italian.

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71. Plans for reducing the consumption of electricity worked satisfactorily.

AND VENEZIA GIULIA.

72. The public was much concerned over the intensified Yugoslav propaganda which has been going on for some time in VENEZIA GIULIA and the eastern frontier of ITALY. This propaganda, which has at times assumed forceful methods, and is supported by a lavish expenditure of money for facilities to show the Yugoslav flag, is generally hostile and carried on in the province mainly underground.

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

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

73. The administrative elections have set the propaganda machines of the various political parties in action and many meetings were held.

74. It has been reported that the Communist and Socialist Parties have agreed to collaborate, while the Christian Democratic party continued to gain ground by its subtle but efficient propaganda, and also by the support it receives from the Church.

75. Local government continued to be too dependent on AMG and too apt to refer to it matters which could very easily be settled by the department concerned. It is hoped, however, that after the elections, the newly elected administrators will feel in a stronger position than the present ones. General lists of male and female electors have been completed in 144 communes; the male lists have been approved in 36 and the female lists in 36 communes. Administrative elections will be held on 24 March, 31 March and 7 April 1946.

76. The morale and efficiency of the Carabinieri, Guardia Finanza and Questura continued to improve and a number of trucks obtained on loan from the Military Authorities will be most useful. Clothing and equipment gradually arrived although more is needed and automatic arms and pistols are in constant demand. By comparison with normal standards the public safety situation was still unsatisfactory, mainly owing to the continued prevalence of armed robberies, but the position is reliably reported as being much better in the Province itself than in many other parts of ITALY and this is unquestionably due in large measure to the presence of Allied Forces in the area. The number of armed robberies reported was 31 which is an average figure over the past few months. A firmer attitude on the part of police generally has been observed, and it appears that the public are regaining some of their former confidence in the ability of the police services to maintain law and order and are becoming more willing to co-operate by denouncing offenders, giving information etc., which is of the utmost importance under any police system.

77. Apart from one or two minor demonstrations against difficult economic and living conditions, there was no disturbance to public order and no large strikes. Unemployment caused anxiety but it is hoped that this may shortly be relieved by the commencement of public works schemes.

78. The Italian Courts worked satisfactorily. AMG Courts tried 43 summary court cases.

79. The food situation during the first ten days of the month was very serious but it improved considerably later owing to an arrival of imported grain. Another allocation of 4013 tons of wheat has been made to the Province so that the normal ration of bread can be maintained up to about the 25th of March. It has been necessary to issue corn flour for about three days a week instead of bread.

80. Fish, eggs, rabbits and poultry can be found easily, though at prices beyond the capacity of anyone except the rich. Up to the end of February 137.566 quintals of wheat and 45.580 quintals of maize had been sowed.

81. Despite the lack of fertilizers no difficulties are foreseen for the Spring sowing. The mild winter has left the soil in good condition and ploughing and harrowing are well ahead.

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82. During the month 1490 Italians and 473 non-Italian passed through the Refugee Centre. Half of these displaced persons arrived from VENEZIA GIULIA and the remainder from AUSTRIA and GERMANY.

83. The overall supply of essential commodities for commerce and industries improved, except for tyres and P.O.L. and the allocation of 6,000 tons of imported coal - a month was also insufficient.

84. An allocation of 16,000 square metres of flat-bed glass including 1842 sq.metres of printed glass was received during the month, but the need for glass was still large.

85. The principal work of the month was the levying up of provisional combined

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

- 5130

programme for reconstruction and unemployment relief during the next three months.

86. A start will be made immediately on the most obviously necessary works but this programme will require considerable revision as time goes on since only about one third of the work proposed will be able to be financed.

87. The German speaking minority in the TARVISIO area requested extra curriculum German classes, which will therefore be instituted in 2 schools with the Commune paying the teachers appointed by the Provveditore. No similar request has, however, come from the Slavic minority since permission to set up German and Slavic schools was refused.

AMG VENEZIA GIULIA.

88. There was a considerable amount of political activity, with both sides preparing for the visit of the Foreign Ministers' delegates. Throughout the month, reports of a steady influx of Slovenes from Zone 'B' continued to come in, causing some apprehension on the part of the Italian population, and reported Jugoslav troop movements in Zone 'B' did little to ease a situation which by the end of the month was becoming tense. Red starred Jugoslav flags were being placed in the most prominent positions and triumphal arches and numerous pro-Tito road and wall signs appeared everywhere. Local Government was satisfactory.

89. Progress in all matters connected with the VENEZIA GIULIA Police Force was extremely satisfactory; each day showed an improvement in the morale, discipline and efficiency of all officers and men. It is now 2,788 strong. Mounted units of the VENEZIA GIULIA Police Force (without Allied escorts) have appeared on the streets of TRIESTE and GORIZIA. The prisons in TRIESTE were still overcrowded and efforts are being made to transfer long-term prisoners elsewhere.

90. During the month final arrangements were made to set up control of movement of goods across the Morgan Line. A system of import, export and transit licenses had proved most useful in controlling movement of goods into and out of the territory. Supplies of foodstuffs under the maintenance programme failed to arrive in the month of February, but, with the exception of fats, it was possible to issue the normal rations by borrowing from the Army and the Italian Government. The harvesting of wheat has practically finished for the season, although 50 quintals were collected during the month.

91. [illegible],758 tons were shipped into the area during the month, and 23,906 tons out of the area.

92. The 2,000,000 trees requested from ROME, were found to be available in state nurseries throughout ITALY, and digging and transportation are being arranged. Due to drainage, irrigation repairs, the filling in of tank-traps and reclamation schemes etc., it is expected that the acreage planted in the spring will be nearly double that of the past season.

93. There was no actual stoppage of work in the shipyards during the month, and work continued on all ships.

94. In the absence of fresh supplies of raw cotton, the Cotonificio mill at [illegible] per week. Output in all departments

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

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94. In the absence of fresh supplies of raw cotton, the Cotonificio mill at GORIZIA had to cut working hours from 48 to 32 per week. Output in all departments averaged about 60% and approximately 420,000 metres of cloth were produced. Electricity remained in short supply and restrictions will have to continue. The TRIESTE economy measures were most successful, and amount to 30% on November figures. It was agreed, from the economic point of view, and in particular so far as trade is concerned, that AMG VENEZIA GIULIA territory should be linked up with the Italian Government programmes of imports and exports; such an arrangement is the only practical one to allow merchants of this territory to trade. POL consumption was on a rather low level in February; firewood was distributed slowly and 16,927 quintals only were issued during the month.

95. All public works progressed satisfactorily, and every effort was made to employ the maximum number of unemployed on the various projects; the rebuilding of distressed villages proceed well.

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

96. General public health continued to be extremely good, and steady progress was made with hospital rehabilitation and rebuilding schemes.

97. The flow of displaced persons continued and 687 civilians and 81 ex P.W. passed through the area. The total number of unemployed for the territory was 29,136, an increase of 3% over the previous month. Several strikes were rumoured but none took place. In the Superior Court, TRIESTE, 38 cases were disposed of (as compared with 24 in January), on 42 charges (as compared with 27 in January). A sharp increase was noted in the number of cases for theft and illegal possession of illicit property (February 23, January 6). No Superior Court cases were tried in ZONE A area, and only 2 in ZONE B Area. The Civil Courts continued to function with reasonable satisfaction.

98. Slovene elementary school programmes were distributed to all the Slovene and Croat elementary schools. The Slovene Communist paper "Primorski Dnevnik" continued to attack Allied Military Government's education policy, and is requesting complete autonomy for the Slovic schools of VENEZIA GIULIA. In many sectors of the region, Slovene parents held demonstrations against the dismissal of a number of Slovene teachers "on security grounds".

99. A telegraph circuit between TRIESTE and UDINE was opened during the month. The new postal tariffs will be implemented on 1st March.

100. Bonuses to next of kin and wounded partisans continued and up to 26th February 152 claims by next of kin were paid.

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

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5129

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

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

PART II.

CIVIL AFFAIRS SECTION.

Local Government Sub-Commission.

1. The Consulta approved the Draft Law for the National elections but with several notable amendments, i.e. compulsory voting, a different system of proportional representation and smaller constituencies. The Law was again under consideration by the Council of Ministers.

2. A total of 5,311 Communes will be ready to hold their elections for Communal Councils on the dates indicated:

Sunday, 10 March	432	(including 6 Provincial Capitals)
Sunday, 17 March	1,072	(including 3 Provincial Capitals)
Sunday, 24 March	1,470	(including 12 Provincial Capitals)
Sunday, 31 March	1,425	(including 22 Provincial Capitals)
Sunday, 7 April	912	(including 17 Provincial Capitals)

3. A total of 10,923 (male and female) lists have now been approved. This is 75% of the total lists required. The corresponding figure for the end of January was 25½%.

4. The new policy of the Ministry of the Interior is to appoint career Prefects whenever possible and to retain non-career men only if they are of proved capacity or willing to become career officials.

5. In view of the imminence of Municipal elections to be held in most of the Communes in ITALY, a directive was issued to all AC Liaison Officers stating that the policy of the Allied Commission is that the conduct of elections is strictly a matter for the Italians to settle. They should therefore on no account enter polling stations, or any place where votes are being counted. Within the aforementioned policy it was left to the discretion of the Liaison Officers to determine how they should inform themselves about the elections. For the purpose of making a closer technical survey of the elections, it was arranged for the officers of the Local Government Sub-Commission, accompanied by Inspectors-General of the Ministry of the Interior, to go on tour visiting various Communes on the dates fixed for Communal elections, their visits to be as casual and inconspicuous as possible.

LEGAL SUB-COMMISSION.

6. Allied Military Courts were in session in VENEZIA GIULIA and UDINE Province, and a General Court was held at NAPLES. In VENEZIA GIULIA there was an increase of 37 cases over January, the majority being for the unlawful possession and theft of Allied property. There was an increase of 12 cases for possession of arms and ammunition. UDINE tried only summary court cases which numbered about half those held in January.

7. Italian Courts in NAPLES function adequately, encouraged by the fact that public confidence in the Courts has been restored.

8. Reports on Italian Courts in LIVORNO were not entirely satisfactory where Allied interest were concerned, especially those dealing with the theft

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7. Italian Courts in NAPLES function adequately, encouraged by the fact that public confidence in the Courts has been restored.

8. Reports on Italian Courts in LIVORNO were not entirely satisfactory where cases of Allied interest were concerned, especially those dealing with the theft and possession of Allied property. 34 of the 85 accused were acquitted.

9. In UDINE Province a Special Court of Assize tried 28 cases and dismissed 40. In VENEZIA GIULIA 22 accused were tried, resulting in 13 convictions and 9 acquittals. The work of reviewing the cases of all persons confined in prisons progressed steadily and showed worthwhile results.

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

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

EDUCATION SUB-COMMISSION.

10. In BOLZANO the text books in the German Language for both elementary and secondary schools were distributed to the children; the German-speaking schools appeared to function quite satisfactorily.

11. The CNOO (Partisans Committee) continued to issue orders to schools contrary to Allied Military Government orders and succeeded in placing Partisan Propaganda text books in a number of schools. Lack of transportation made it impossible for adequate supervision to be carried out by superintendents and inspectors. School buildings were still requisitioned in the TRIESTE area and there appeared to be little hope of derequisitioning them. New Slovene primers, approved by Allied Military Government, were printed and distributed. Despite vicissitudes the actual schools in VENEZIA GIULIA ran fairly smoothly and teachers and pupils worked earnestly and with good spirit.

12. Arrangements were completed during the month for Polish troops to enrol as students in Italian Universities. This will enable young men and women who commenced their studies before the war to continue and will provide the opportunity for others to commence. The majority of the students will study in ROME.

PUBLIC HEALTH SUB-COMMISSION.

13. The Public Health situation for the month was satisfactory. No major outbreaks of communicable diseases occurred. The TARANTO epidemic of plague completely subsided and no cases of typhus were notified. Owing to reports of plague in North AFRICA, the High Commissioner for Public Health adopted stringent control measures at all ports.

14. While smallpox can be considered endemic in ITALY at the present time, the incidence was not in any way alarming. The NAPLES figures continued to show a highly satisfactory decrease, only one case occurred in NAPLES City and fourteen in NAPLES Province. Sporadic cases occurred in other provinces, the only noteworthy figure being eighteen in SALERNO.

15. The work of the Malaria Control Branch in the TIBER Delta was in abeyance during February.

16. An outbreak of measles in PIEMONTE area which reached a peak in January was steadily declining, while diptheria, also prevalent in Northern ITALY, was decreasing.

17. The number of patients admitted to the MERANO repatriation Hospital Command diminished due to the clearance of sick and wounded prisoners of war from various German zones. The Italian Red Cross, however, reported the necessity of evacuating sick Italian personnel from areas in CZECHOSLOVAKIA. The decrease in the admission list permitted the closure of three hospitals during the month. Between 29 July 1945 and 31 January 1946, 12,157 patients were admitted and 10,184 patients discharged.

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

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18. It may be said with assurance that the state of public health in ITALY was satisfactory and no outbreaks of grave communicable diseases are anticipated.

5128

PUBLIC SAFETY SUB-COMMISSION.

19. Conditions generally in both AMG and Italian Government territory remained calm.

20. The morale and efficiency of the police services continued to improve slowly and it is hoped that within a reasonable time the various forces will be adequately clothed and equipped. Application has recently been made for authority to increase the strength of the CC.RR. from 65,000 to 75,000.

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

21. The number of serious crimes still remained fairly high, but in EMILIA where conditions have been most unsatisfactory, a reduction of fifty per cent. in major crimes for the month of February was reported. The chief reason for this reduction is the energetic action taken by the CC.RR and Agents of Public Safety. In SICILY also the position was improved due to punitive action and to the Italian Government sending reinforcements of CC.RR to the Island.

22. The prison situation still remained acute, owing to overcrowding and lack of discipline among prison guards. Six prison breaks occurred during the month in EMILIA resulting in the escape of 39 prisoners. Efforts were being made by the Italian authorities to recruit additional guards but the wage scale failed to attract the better types.

23. To make matters worse the Ministry of Grace and Justice introduced a wage scale which becomes effective as from 1 October 1945. This caused considerable discontent as some guards were asked to repay substantial sums which they had unknowingly overdrawn.

MONUMENTS, FINE ARTS AND ARCHIVES SUB-COMMISSION.

24. The Library of the German Archaeological Institute and the Hertziana Library were brought back to ROME during the month.

25. The Codex Vaticanus 3. of Tacitus has been reported by the Ministry of Public Instruction to be safe.

26. The Sub-Commission's photographic record of damage to Italian monuments has been completed, and copies consigned to the Roberts and Macmillan Commission in U.S. and U.K.

DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION.

27. Discussion continued on the transfer of responsibilities for Displaced Persons in ITALY to UNRRA. Difficulties arose over UNRRA's inability to accept full financial responsibility for Camps and it was agreed that the Italian Government would continue payments through Prefects until the end of March 1946. Few complaints were received regarding the scale of rations although there was an acute shortage of clothing.

28. Three of the Allied Military Missions from U.S.S.R., NORWAY and BELGIUM accredited to the Sub-Commission have been reducing their staffs or handing over their duties to their Embassies.

29. Two uncompleted moves were handed over to the UNRRA Repatriation Branch. The long outstanding move of Ethiopian and other East African natives was still in abeyance and seemed no nearer materialising than it was nearly two years ago. Technicalities, such as acceptance at SINGAPORE and lack of transit facilities in the Middle East, were responsible for delaying the Chinese move.

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30. The return of Italians to LIBYA and ERITREA was the cause of a certain amount of speculation. A telegram was received to the effect that no Italians, including children, would be accepted by B.M.A. TRIPOLITANIA until further instructions were received from B.A.M.A. A telegram was sent requesting that those 900 odd Italian children who had previously been accepted be permitted to proceed to TRIPOLITANIA.

31. It was also thought that there had been a certain amount of inconsistency of policy governing the return of 300 Italians to their former homes in ERITREA on compassionate grounds in exchange for 3,000 Italians at present in ERITREA. The Foreign Office finally agreed to the move and about 100 "Old Eritreans" have already left for A.M.G.O.T. under their own financial arrangements.

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

32. There was much speculation in Jewish circles over the further allotment of 4,400 Certificates of Emigration to PALESTINE. In view of the large number of illegal immigrants, many from ITALY, and the fact that emigration to PALESTINE from this country had already been greater than from the rest of EUROPE it had been assumed in the Jewish circles that the allotment of the few remaining certificates would be made mostly to countries other than ITALY.

33. The Albanian authorities continued their policy of expelling Italians from ALBANIA. Italian expulsees were allowed to leave with only 5,000 Lire, a small handbag and the clothes they stood up in. The rest of their goods and chattels, sometimes the fruit of a life's work, were confiscated. RHODES expressed its willingness to accept a small number of Jews, who had been deported from the Island to GERMANY for racial reasons. A further 350 Greeks were to be repatriated through ITALY from ALBANIA.

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

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5127

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

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

PART III.

ECONOMIC SECTION.

FOOD DIVISION.

1. Movement of stocks from warehouse already assigned to the Italian Government was adequate to meet current requirements, except for the NAPLES area where a shortage of wagons existed.

2. February arrivals of cereals for both PCA and UNRRA programmes totalled 165,690 tons and the estimated stock position at February was 119,245 tons. This includes 14,182 tons of wheat which are for repayment to the Allied Armed Forces and to UNRRA Welfare Programme.

3. Arrivals of imported foodstuffs other than wheat and flour, and including PCA and UNRRA programmes totalled approximately 14,500 tons. Assistance was given to the Purchasing Services in order to facilitate direct relations with Italian authorities and suppliers of fresh fruit and vegetables.

4. Assistance was given to the Italian Army in order to overcome difficulties which interfered with the supply of fodder for the Italian Army.

5. The salt situation in February was reasonably good with 10,136 tons of salt moved from MONTEBELLO DI SICILIA to Northern, Central and Southern ITALY by the daily salt train and almost 12,000 tons moved by coaster to NAPLES and ports in the North.

6. In order to reduce the high price of jam, proposals of the Italian Government were approved to modify the production plan of jam, adjusting sugar to 40%. Consequently, the production programme in Northern ITALY was reduced to 10,000 tons (in addition to 8,000 tons in Southern ITALY), and no further production is expected until October 1946, when the new sugar harvest is available.

7. During the month the Italian Government was warned by Governor Lehmann to expect large reductions in the UNRRA Italian programme within the next few months compared with what had been hoped might be sent this month; and that the Italian Government must enforce every possible measure to control foodstuffs and reduce to a minimum national consumption.

AGRICULTURE.

8. Crop conditions were generally good during February, although lack of moisture in Central, Southern and Insular ITALY gave rise to a fear that the drought conditions of last year may be repeated. General rains in these regions are badly needed not only for immediate needs but for reserve supplies of water for irrigation next summer.

9. Further shipments of agricultural supplies were received from abroad during the month, notably farm machinery, seed potatoes and nitrate fertilizers.

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

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9. Further shipments of agricultural supplies were received from abroad during the month, notably farm machinery, seed potatoes and nitrate fertilizers. Unloading and distribution of these supplies proceeded satisfactorily under the supervision of the Italian Government.

10. Final reports on the plantings of autumn and winter sown cereals showed little changes from last year's averages. The only exception was horse beans (fava), the acreage of which was 15% larger than that of a year ago.

11. Collection of critical foodstuffs under the Amassing Programme were very small during the month. The 12,000 tons of wheat, barley and rye received detracted from rather than added to the success of the programme, as these grains were harvested some eight months ago and the amounts received last month were long overdue. Again the Government postponed the announcement of the details of the plan for amassing the rice, which was harvested early last fall. Only 20 per cent. of the estimated total production of olive oil was

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

amassed.

12. Considerable progress was made during February in providing the Fishing Industry with needed supplies and equipment. A shipment of 70,000 trout eggs was received by air from the UNITED STATES in perfect condition and was placed in appropriate waters for hatching.

13. February production of fuel wood was approximately 20% greater than the production goal. Stocks now on hand should be sufficient to meet future demands.

FINANCE BRANCH.

14. The main task of the Sub-Commission during the month was in working out the details necessary to give effect to the Currency Agreement which came into force on 1 February 1946.

15. During the month letters were received from the President of the Council of Ministers and from the Bank of ITALY requesting that the gold discovered at L. FORTEZZA by U.S. Army Units be handed over to the Bank of ITALY.

16. The Ministry of Finance was informed that it was the opinion of the Allied Commission that no obstacle should be placed in the way of legal tender currencies carried by persons between Zone "A" and ITALY proper.

17. As of 6 February the Italian Government extended the "Congualio" rate of 225 lire to 1 dollar - 900 lire to 1 pound to several additional classes of transactions.

COMMERCE SUB-COMMISSION.

18. On 15 February 1946 private trade was reestablished between ITALY and all countries except GERMANY, JAPAN, MANCHURIA, KOREA and FORMOSA. The restrictions and control exercised by the Ministry of Foreign Trade and required by the General Foreign Exchange position, the Italian supply position and by the terms of commercial and payment agreements, still remain for the private trade so resumed.

19. The Italian Government now has complete control over ITALY's foreign trade except in the case of items listed by the Combined Boards in WASHINGTON. For these it is still necessary for allocation requests to be channelled through Allied Commission until an alternative method can be devised.

20. A commercial and clearing agreement between ITALY and FRANCE was signed in ROME on 9 February. The agreement covers the current year up to 31 December 1946, is renewable annually, and subject to three months notice of termination by either party.

21. The commodities to be exported from ITALY to FRANCE include chiefly fruit, essential oils, raw hemp and hemp yarn, pyrites, machine tools, typewriters and mineral ores. The most important items to be imported from FRANCE under the agreement are phosphates, coke, hides, kaolin and various chemical and pharmaceutical products.

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22. A trade agreement was negotiated with DENMARK during the month. The main items to be sent to DENMARK would be citrus fruit and textiles. In return ITALY would receive chiefly fish, machinery and cheese.

23. Cottons continued to be commodity [illegible] great demand in connection with the re-export of finished products. At present cotton textiles are still a Reserved Commodity and so far as ITALY is concerned the finished product resulting from the working of the raw cotton imports cannot yet be exported to EGYPT or to countries in the Western Hemisphere. It is hoped that this restriction may be modified as a result of the next meeting of the International Textile Committee. At the moment there are a very large number of requests for imports of cotton from EGYPT involving a re-export

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

5126

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

of cotton textiles to that country. To date it has not been possible to approve any. The main items covered by the month's import applications are: cotton (25,500 tons), greasy or washed wool (4,600 tons), rayon, raw and fibres (370 tons), tin plate (2,600 tons), colophony (212 tons), phosphates (50,000 tons), oats (6,500 tons), chemical products (850 tons), flux (100 tons), cellulose (515 tons), vegetable oils (1,000 tons), animal fats (210 tons), glycerine(75 tons), paraffin (150 tons), penicillin (510,000 phials), lead (230 tons), "cerozo" nuts (2,000 tons) and 3,000 oxen.

INDUSTRY AND UTILITIES SUB-COMMISSION.

24. The main activities of the division during the month were concerned with handing over the main supply functions of the Department to the Sub-Bureau of Industrial Rehabilitation, UNRRA.

25. Lack of electrical power continued to be an obstacle in industry but coal arrivals improved considerably. It was announced at the meeting of the Central ITALY Advisory Committee that two generating units at the S.A. GLACOMO plant totalling 152,000 KW are expected to be in operation by the end of this year. An improvement was noted in the stream flow plants in Central ITALY due to the February rains. Since control and rationing measures became effective in Northern ITALY the power situation has improved. Allocations for Central and Southern ITALY for the month of March were reduced.

26. 4,244 tons of cotton under the ET programme were imported during the month together with 1,740 tons of wood and 14,900 tons of phosphate rock.

27. The production of Sardinian coal in January was 64,589 tons; it is estimated that 75,000 tons will be produced during February. According to the available figures at the end of the month imported coal discharges on all accounts for the month totalled approximately 530,000 tons. On 1 March UNRRA assumed the responsibility for coal supplies to ITALY excluding VENEZIA GIULIA and UDINE.

28. During the month VENEZIA GIULIA received supplies of POL from military sources and UDINE from UNRRA stocks by arrangement with C.I.P. Tankers arriving in February restored the weak stock position.

LABOUR SUB-COMMISSION.

29. Activities of Labour Sub-Commission during February centered round preparations for anticipated closure on 1 March and on revision of the Armed Forces Wage Scale.

30. Following a request made by the Deputy Director of Labour, G.H.Q., C.M.F., the Sub-Committee appointed by the Labour and Wages Committee to consider simplification of the wage system for Allied Force employees, formulated wage scales in collaboration with the Italian Government and Italian labour.

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

[illegible] SUB-COMMISSION.

24. The main activities of the division during the month were concerned with handing over the main supply functions of the Department to the Sub-Bureau of Industrial Rehabilitation, UNRRA.

25. Lack of electrical power continued to be an obstacle in industry but coal arrivals improved considerably. It was announced at the meeting of the Central ITALY Advisory Committee that two generating units at the S.M. GLOOMD plant totalling 132,000 KW are expected to be in operation by the end of this year. An improvement was noted in the stream flow plants in Central ITALY due to the February rains. Since control and rationing measures became effective in Northern ITALY the power situation has improved. Allocations for Central and Southern ITALY for the months of March were reduced.

26. 4,284 tons of cotton under the FT programme were imported during the month together with 1,766 tons of wood and 14,900 tons of phosphate rock.

27. The production of Sardinian coal in January was 64,589 tons; it is estimated that 75,000 tons will be produced during February. According to the available figures at the end of the month imported coal discharges on all accounts for the month totalled approximately 530,000 tons. On 1 March UNRRA assumed the responsibility for coal supplies to ITALY excluding VENEZIA GIULIA and UDINE.

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31. These proposals which set out basic wage rates for five categories of daily paid workers and an appropriate variable cost of living bonus, were accepted by the Labour and Wages Committee.

32. Little industrial unrest occurred during the month; only two strikes of importance were reported, one affecting workers in NAPLES and one affecting clerks in TURIN.

33. Discussions between the Italian Government and Fiat representatives on the question of Works Management Committees resulted in the establishment of a General Consultative Council and an Arbitration Board within the Fiat concerns on which the workers will have representation.

TRANSPORTATION AND SHIPPING.

34. All remaining control over the movement of civilian traffic by rail and

road was turned over to the Italian Ministry of Transport during the month. Repair of bridge to port and warehouse installations, progressed faster than was expected during the month.

35. During the month of February, the provision of rail facilities continued to improve, and new lines were reopened, the most notable being the L. SICILI - GENOA line, which was reopened to traffic on 16 February. This now provides an alternative rail route between North and South ITALY, relieving the FOLOGNA bottleneck. To a certain extent, the failure to move traffic was due to excessive loadings and to shortage of engine power.

CAPTURED ENEMY MATERIALS.

36. The work during the month was noted for the release and handover to the Italian Government of the pharmaceutical plant and stores at MILANO. The value of the contents of the Depot runs into millions of pounds sterling and included 3,000 tons of raw materials, large quantities of Cocaine, Morphine, Caffein and Opium, together with other manufactured drugs. Amongst the machinery and instruments handed over were special storehouses covering 360 acres.

37. The release of the automobile spare parts dump at LEVIS took place on 11 February and the contents, amounting to some 6,345 tons (in most cases new spares), were handed over to AMG.

38. In addition 92 Ammunition, 23 Vehicle and 88 dumps (Consumer goods etc.) were released to the Italian Government during the month. Vehicle hulks to the value of 1,611,947 lire were disposed of.

39. The CSM Offices at TURIN and GENOA were closed down as at 23 and 26 February respectively.

40. The detailed reports of vehicles held by the Ufficio Autotrasporti were collected and checked. The number of vehicles involved is approximately 12,000, all of which are operating. The Italian Government have requested that the release and handover be done direct with the Ministry of Transport and not through AMG. The action will be completed during March.

REQUISITION BRANCH.

41. Allied Commission's responsibility for screening requisitions purchased with VT dollars was terminated, effective 1 February 1946. Only requisitions of RCH items now pass through Allied Commission.

42. Requisition Branch interest in VT requisitions continued despite the termination of its screening activities. Numerous conferences with Italian Government officials were held with the objective of coordinating the UNRRA 1946 import program with the VT program of procurement.

43. The Branch continued to keep records of ships' arrivals and tonnages transferred to the Italian Government. All but about 30 shiploads of the [illegible] were [illegible]

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

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37. The release of the automobile spare parts dump at LAVIS took place on 11 February and the contents, amounting to some 6,345 tons (in most cases new stores), were handed over to AFHQ.

38. In addition 92 Ammunition, 23 Vehicle and 28 dumps (Consumer goods etc.) were released to the Italian Government during the month. Vehicle hulks to the value of 1,611,947 lire were disposed of.

39. The CMH offices at TURIN and GENOA were closed down as at 23 and 26 February respectively.

40. The detailed reports of vehicles held by the Ufficio Autotreasporti were collected and checked. The number of vehicles involved is approximately 12,000, all of which are operating. The Italian Government have requested that the release and handover be done direct with the Ministry of Transport and not through AFHQ. The action will be completed during March.

REQUISITION BRANCH.

41. Allied Commission's responsibility for screening requisitions purchased with IT dollars was terminated, effective 1 February 1946. Only requisitions of RCL items now pass through Allied Commission.

42. Requisition Branch interest in IT requisitions continued despite the termination of its screening activities. Numerous conferences with Italian Government officials were held with the objective of coordinating the Ufficio 1946 import program with the IT program of procurement.

43. The Branch continued to keep records of ships' arrivals and tonnages transferred to the Italian Government. All but about 30 shiploads of the IT program were received or on the high seas.

44. The Requisition Branch prepared for the transfer of AFHQ's Italian supply responsibility to UNRRA. To that end, its functions were expended to include Program Coordination and Statistical Analysis as well as Supply Accounting and Requisitions proper.

5125

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

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

PART IV

PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS.

PUBLIC RELATIONS BRANCH

1. Press releases and the Weekly Bulletin were continued. The publication of "Documents Notes" was handed over to U.N.R.R.A. after the first four issues. Delay of news of VENEZIA GIULIA to the Italian press continued.

NAVY SUB-COMMISSION

2. British minesweepers have completed a clearance sweep of the area between ZENNA and SALERNO and then proceeded inshore of the mine-field between CAPRAIA and LIDO ROMA, carrying out a check sweep as they went, thus confirming the safety of the inshore channel for navigation. Before long the work of mine clearance in Italian waters will be carried out entirely by the Italians themselves; the work of the minesweepers, which was hampered in the winter months by bad weather, will begin intensively in the Spring.

3. The Italian cruisers MONTECUCCOLI, ATTENDOLO and the C.S. TOSCANO operated throughout the month repatriating prisoners from the MIDDLE EAST, TRIPOLITANIA and MOROCCO.

4. During the month a survey was made with regard to the military state of the islands of PANTELLERIA and LAMPEDUSA.

LAND FORCES SUB-COMMISSION (LFSA)

5. The Italian Army strength as at 1 February 1946 was 434,403, excluding 62,419 Carabinieri. The Garibaldi Regiment (FOLGORE Division) was sent to SICILY at the beginning of the month to take part in anti-bandit drives. The Carabinieri remained seriously deficient of transport, and mobile battalions were still in most cases in fact not mobile. The supply of foodstuffs improved.

ITALIAN PRISONER OF WAR DIVISION

6. 995,015 prisoners in all had been repatriated up to 24 February 1946, 144,976 from the British Empire and the Middle East, and 44,743 from AMERICA. Approximately 350,000 are still to be repatriated.

7. Four Italian cruisers and a destroyer which run a ferry service from ports in French North AFRICA to MARSEILLES repatriating Italian P.W. and a total of 3,941 were returned during the month. It was arranged that of the 40,000 prisoners in French North AFRICA 6,500 must be replaced by German PW (the number was previously 10,000).

8. 17,127 Italian prisoners arrived in ITALY from the U.K. during the month. Remittances forwarded from prisoners in British hands totalled 20,333.

9. All prisoners have now been repatriated from MALTA.

2. British minesweepers have completed a clearance sweep of the area between GENOA and SAVONA and then proceeded inshore of the minefields between SAVONA and CAP NOLI, carrying out a check sweep as they went, thus confirming the safety of the inshore channel for navigation. Before long the work of mine clearance in Italian waters will be carried out entirely by the Italians themselves; the work of the minesweepers, which was hampered in the winter months by bad weather, will begin intensively in the Spring.

3. The Italian cruisers Montecuccoli, Abruzzi and the S.S. Toscana operated throughout the month repatriating prisoners from the MIDDLE EAST, TRIPOLITANIA and MOROCCO.

4. During the month a survey was made with regard to the military state of the islands of PANTELLERIA and LAMPEDUSA.

LAND FORCES SUB-COMMISSION (LFSC)

5. The Italian Army strength as at 1 February 1946 was 134,403, excluding 62,419 Carabinieri. The Garibaldi Regiment (FOLGORE Division) was sent to SICILY at the beginning of the month to take part in anti-bandit drives. The Carabinieri remained seriously deficient of transport, and mobile battalions were still in most cases in fact not mobile. The supply of foodstuffs improved.

ITALIAN PRISONER OF WAR DIVISION

6. 995,015 prisoners in all had been repatriated up to 28 February 1946, 154,576 from the British Empire and the Middle East, and 14,743 from AMERICA. Approximately 340,000 are still to be repatriated.

7. Four Italian cruisers and a passenger ship ran a ferry service from ports in French North AFRICA to NAPLES repatriating Italian P/W and a total of 3,941 were returned during the month. It was stressed that of the 40,000 prisoners in French North AFRICA 6,500 must be replaced by German P/W (the number was previously 12,000).

8. 17,127 Italian prisoners arrived in ITALY from the U.K. during the month. Remittances forwarded from prisoners in British hands totalled 20,338.

9. All prisoners have now been repatriated from MALTA.

AIR FORCES SUB-COMMISSION

10. Training facilities during the month were limited in most phases and were handicapped by lack of equipment and no plan to secure the required equipment. There was a definite lack of classrooms and accomodation. Instructors, though capable individually, were few and out of date compared to those of Anglo-American Air Forces. It was felt that all systematic training and organization must remain in abeyance until the strength and organization of the Italian Airforce is definitely established.

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11. Training of radio operators and maintenance personnel was being carried out for the purpose of taking over operating and maintaining USAAF, AAI3 and weather installations throughout ITALY when USAAF personnel are withdrawn. The instruction of English was introduced into the syllabus of the Flying School, and the Italian Army agreed to undertake the training of 1000 recruits for the I.A.F.

12. The serviceability of aircraft was fairly high for the month, and the allocation of tyres was increased as a result of representations made to the Italian Tyre Committee.

13. Authority was granted for the Italian Airforce to revert to the use of International W/T call signs for all radio communications and this was put into effect. A number of depots were handed over to AAI3 who now control release of material.

14. Aircraft industry in North Italy was almost completely inactive. Some firms, basing their policy on a hope that light aircraft construction might be permitted soon, had draughtsmen and designers at work on projects for small tourist planes and helicopters. No prototypes of such aircraft have been completed.

15. There was a revival of interest by young flying and gliding enthusiasts and there were meetings held by clubs and sporting societies.

16. Plans were completed for transportation by air of foodand UNRRA RESCI medical and relief supplies between ROME and SARDINIA.

17. During the month 2,743 passengers were carried and 177, 172 lbs of freight transported.

COMMUNICATIONS SUB-COMMISSION

18. Mail and telecommunication services continued to be expanded and improved although irregular sea transport was one of the biggest obstacles to the improvement of mails to countries overseas.

19. A considerable increase in long distance telephone service was effected during the month and international services were opened to VENICE, MILAN and TURIN. Telephone service between VENEZIA GIULIA, Zone A and YUGO-SLAVIA was also opened, and other circuits were established. For the first time in ITALY a long lines office was set up in ROME to allocate and coordinate all long distance circuits. With a few exceptions all provincial telegraph offices cleared their traffic with pre-war speed, and the work of connecting up all village offices in time for elections proceeded.

20. The Commander in Chief, Mediterranean authorised the resumption by the Italian Government of ship-to-shore radio-telegraph service during the month.

21. The distribution of the large accumulation of gift parcels received at NAPLES continued, and thanks to a better supply of railway vehicles good progress was made. In collaboration with the British Army Post office a service was introduced to provide communication between surrendered enemy personnel and prisoners of war in ITALY and their relatives in various Euro ean countries.

Brigadier,

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18. Mail and telecommunication services continued to be extended and improved although irregular sea transport was one of the biggest obstacles to the improvement of mails to countries overseas.

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V.P. Fonteyn

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HEADQUARTERS ALLIED COMMISSION
APO 394

5 APR 1946

MONTHLY REPORT

JANUARY - 1946

Ref: 824/DC

26 March 1946

ALLIED COMMISSION 1946

5123

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HEADQUARTERS ALLIED COMMISSION
APO 394

5 APR 1946

MONTHLY REPORT

JANUARY - 1946

Ref: 824/EC

26 March 1946

ALLIED COMMISSION 1946

5123

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To	Init	Date
CA Sec	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Public Health	[illegible]	[illegible]
Legal	[illegible]	[illegible]
Local Govt	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Displ	[illegible]	[illegible]
Education	[illegible]	[illegible]
UNRRA & A	[illegible]	[illegible]
Ce Sec	[illegible]	[illegible]

PLEASE PASS QUICKLY

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HEADQUARTERS ALLIED COMMISSION
APO 394

MONTHLY REPORT

JANUARY - 1946

INDEX

		Para No.
POLITICAL SUMMARY		1
PART I -	AMG AND LIAISON GROUP REPORTS	2 - 9
	Liguria Liaison Group	2
	Lombardia Liaison Group	2 - 3
	Piemonte Liaison Group	3 - 4
	Veneto Liaison Group	4
	AMG Venezia Giulia XIII Corps	4 - 5
	Naples Liaison Group	5 - 6
	Livorno Liaison Group	6
	Bari Liaison Group	6 - 7
	Sicily Liaison Group	7
	Bologna Liaison Group	7 - 8
	Palermo Liaison Group	8
	AMG Udine Province	8 - 9
PART II -	CIVIL AFFAIRS SECTION	10 - 12
	Local Government Sub-Commission	10
	Legal Sub-Commission	10
	Education Sub-Commission	10 - 11
	Public Health Sub-Commission	11
	Public Safety Sub-Commission	11
	Monuments, Fine Arts & Archives Sub-Commission	11
	Displaced Persons & Repatriation Sub-Commission	11 - 12
PART III -	ECONOMIC SECTION	13 - 17
	Food & Agriculture Sub-Commission	13
	Finance Sub-Commission	13 - 14
	Commerce Sub-Commission	14
	Industry, Utilities Sub-Commission	14 - 15
	Labour Sub-Commission	15 - 16
	Transportation Sub-Commission	16
	Program Coordination Branch	16
	Captured Enemy Materials Branch	17
	Surplus and Special Materials Branch	17
	Requisition Branch	17
PART IV -	PUBLIC RELATIONS BRANCH AND DISPLACED PERSONS SUB-COMMISSIONS	18 - 20
	Public Relations Branch	18
	Navy Sub-Commission	18
	Land Forces Sub-Commission	18

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

POLITICAL SUMMARY 1

PART I - AMG AND LIAISON GROUP REPORTS ..... 3 - 9
Liguria Liaison Group 2
Lombardia Liaison Group ..... 2 - 3
Piemonte Liaison Group ..... 3 - 4
Veneto Liaison Group 4
AMG Venezia Giulia XXIII Corps ..... 4 - 5
Naples Liaison Group ..... 5 - 6
Livorno Liaison Group 6
Bari Liaison Group ..... 6 - 7
Sicily Liaison Group 7
Bologna Liaison Group ..... 7 - 8
Bolzano Liaison Group 8
AMG Udine Province ..... 8 - 9

PART II - CIVIL AFFAIRS SECTION ..... 10 - 12
Local Government Sub-Commission 10
Legal Sub-Commission 10
Education Sub-Commission ..... 10 - 11
Public Health Sub-Commission 11
Public Safety Sub-Commission 11
Monuments, Fine Arts & Archives Sub-Commission 11
Displaced Persons & Repatriation Sub-Commission ..... 11 - 12

PART III - ECONOMIC SECTION ..... 13 - 17
Food & Agriculture Sub-Commission 13
Finance Sub-Commission ..... 13 - 14
Commerce Sub-Commission 14
Industry & Utilities Sub-Commission ..... 14 - 15
Labour Sub-Commission ..... 15 - 16
Transportation Sub-Commission 16
Program Coordination Branch 16
Captured Enemy Materials Branch 17
Surplus and Special Materials Branch 17
Requisition Branch 17

PART IV - PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS ..... 18 - 20
Public Relations Branch 18
Navy Sub-Commission 18
Land Forces Sub-Commission 18
Air Forces Sub-Commission 19
Communications Sub-Commission ..... 19 - 20

APPENDIX 'A' ..... 21 - 22

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

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

POLITICAL SUMMARY

1. During the first fortnight of January the Council of Ministers was chiefly occupied with attempts at a solution of the difficult situation arising out of the unwillingness of the State employees to accept the Christmas bonus which had been agreed on December 29th. The Government were prepared, in order to meet the vital needs of State employees, to grant a distribution of goods and foodstuffs which would involve an advance payment of 2½ milliards of lire, representing expenditure which would not be unduly heavy since it would be made during 1946, but they declared it was impossible to burden the State Budget with fresh expenditures. A supplementary sum of 500,000 lire was however allocated as a contribution by the State, 2 milliards of lire to be advanced for the purpose of loans to be repaid by instalments and ½ milliards as a guarantee fund for the creation of an organisation for the purchase and distribution of clothes, footwear and so far as possible food to State employees.

2. On January 21 Signor De Gasperi gave an important address on foreign affairs in which he expressed his regrets that the Italians had not yet had an opportunity to demonstrate to the Soviet Union the effectiveness of their new democracy; he also stated that ITALY wished to cooperate with YUGOSLAVIA in the ADRIATIC and in assuring free access by neighbouring states to the port of TRIESTE. Passing to the ALTO ADIGE question he stated that the Government was prepared to give local autonomy to that region as to VAL D'AOSTA, but that ITALY had constructed great electrical plants there which were necessary for the industrial development of the PO valley. As regards the prospects for the peace treaty, the Prime Minister said that his trepidation was great. He had previously made a speech on January 12 to the Consultative Assembly in which he stated that, as soon as the MOSCOW communique' had become known on 27 December, he had sought interview with the three Ambassadors of the victorious powers, to whom he had pointed out that ITALY, owing to her unique state of co-belligerency, had a right to come before other nations in the drafting of peace treaties. He reported that at the beginning of January the United States Ambassador had been authorised by his Government to inform the Italian Government that the MOSCOW Agreement did not change ITALY's situation as it had been defined at the POTSDAM Conference and that ITALY would not be placed in the position of having to accept a fait accompli. The British Government also agreed with this view. Mr. De Gasperi further stated that a very serious error would be committed by those who forgot that the Italian people had atoned for the crimes of their rulers and had waged a second war to rehabilitate themselves.

3. It was announced on January 26th that the President of the Council and the Spanish Ambassador in ROME had signed the protocols of the commercial agreement between ITALY and SPAIN. Under the agreement which is valid until 31 December 1946 SPAIN will supply goods to the value of 200,000,000 pesetas and ITALY will export to SPAIN goods to the value of 50,000,000 pesetas, the difference being made up by instalments repayment of the Italian loan to SPAIN. Ten days later an agreement was signed between UNRRA and the Italian Government covering the Italian supply programme for a period which was not stated.

4. The Communist Party's national congress concluded on January 6th, when the proposal for the party's fusion with the Socialists was approved. On January 11 the Minister of the Interior reported on the incidents which had disturbed public order in SICILY. He stated that the police had proceeded vigorously against the group of about 150 men with the result that some were captured and the rest took to flight and that he had ordered the immediate despatch of adequate reinforcements to restore law and order to the island, these took the form of one regiment of Folgore Division.

5122

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

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5122

5. The plenary session of the Consultative Assembly was convened on January 9th when the right of the Assembly to convene itself was voted down and the President of the Council declared that it would meet once a month regularly. Count SFORZA announced that a special committee had been formed to study the plans for the legislation covering the political elections. On 25 January this Committee recommended that the Constituent Assembly should consist of one deputy for every 75,000 inhabitants, or a total of 577 deputies. It was agreed that the majority system should be used in all communes exclusive of provincial capitals with less than 30,000 population, while the proportional representation system should be used in all other communes. It was also announced definitely that voting for communal council will take place as far as possible on Sundays March 10, 17, 24 and 31.

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

PART I

REGIONAL REPORTS

LIGURIA REGION.

1. On the surface the general position in LIGURIA appeared to be very tranquil, and the handover of authority did not seem to have any serious repercussions. Exaggerated reports in the Italian and French newspapers on anything connected with the Franco-Italian border continued to appear. French propaganda was carried on in the immediate vicinity of the border, although there were no serious incidents.

2. Rice was in short supply during the month and the region had to operate on a six day flour reserve.

3. Industries continued to function as well as could be expected, in the face of the uncertainty which is being felt as regards ITALY's future, and the lack of coal and raw materials.

4. The Italian Law Courts were efficient, but slow, and prisons are very overcrowded owing to the long periods allowed to elapse between arrests and sentence, or release on bail.

5. Questura, Carabinieri Guardia di Finanza and Municipal Guards worked well, although still seriously handicapped by lack of transport, adequate arms and clothing. The number of crimes for the month was less than for December and can be regarded as satisfactory; no serious crimes were reported. The public situation was in general tranquil, although each Comune experienced difficulty with REDUCT" demanding employment.

6. Public health throughout the Region continued to be good and welfare organizations were in operation. Telecommunications improved by the fixing and balancing of cables and general repair work was being carried out where ever possible.

7. 142,995 tons of civilian freight were accepted and moved from the port of GENOA during the month, 5,747 tons from IMPERIA, and 6,616 tons from SAVONA.

8. The doubling of the railway lines from GENOA to MIGNANEGO proceeded another 504 metres, but work was held up from time to time due to bad weather, while work on the lines between S. BIAGIO and CAMPOMORO progressed satisfactorily.

9. During the month 76 schooners carrying foodstuffs and 6 ships carrying general cargo arrived at the Port of GENOA. These figures show an appreciable increase over those of December. The work of clearing the Port continued, and all berths were made available for shipping, while the Ports of SAVONA and LA SPEZIA continued to discharge the ships normally.

10. All bids for haulage by road were met although the shortage of P.O.L and tyres was still serious. 1,272,573 quintals were hauled during the month.

LOMBARDIA REGION.

11. There was little political activity during the month, and all parties [illegible] show more concern for the economic position of industry and the increasing

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

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LOMBARDIA REGION.

11. There was little political activity during the month, and all parties began to show more concern for the economic position of industry and the increasing unemployment than for political ideology and party strife. Progress was made in the preparation for the Administrative Elections, the first of which will take place in a number of small Communes on the second Sunday in March.

12. Owing to consumers generally refusing to comply with Decrees for the curtailment and rationing of electric current, a critical stage was reached early in January which would have led to complete exhaustion of the available power supplies by the middle of February. However assurances were given by the Prefect and the Mayor of MILAN that whatever measures were necessary to curtail consumption would have their full support. No industry, with the exception of the cotton industry, returned to work at full capacity owing to the coal shortage or lack of raw materials. Enforced retention of unproductive labour by industry caused considerable concern especially in the mechanical sector where certain firms were on the verge of closing down. Dismissals at a monthly parties rate are now permissable, but compulsory employment of "reduci" tends to offset this relief, and unemployment increased.

The arrival from the U.S. of the first consignment of synthetic rubber to Pirelli was most welcome; a production of 1,000 tyres daily is estimated. About 30 large tanneries in N. ITALY are reported to be in operation and are holding large stocks of raw material accumulated through hoarding and hiding during the war.

13. Commerce was virtually at a standstill, and there was much discontent in commercial circles owing to the interference in "compensation" (barter) transactions with other countries.

14. The food situation in the Region was good in spite of a shortage of imported grain. Grain ships scheduled for VENICE and GENOA on February should sustain LOMBARDIA Region up to 14 February. Supplies of Sugar and Salt were good.

15. There were no strikes and the labour position was quiet, although there were spasmodic demonstrations by "reduci" demanding employment. At the end of the month there were 170,067 unemployed.

16. The situation regarding clothing and equipment, boots, transport, arms and ammunition for the Police Forces was still unsatisfactory. The Carabinieri have however quite a high standard of efficiency and their morale was good. The general public now have more confidence in them and regard them as the one body to be relied upon. The Guardia di Finanza functioned well, but were handicapped by shortage of transport, clothing and lack of weapons. In no province however has the general public any confidence in P.S. agents, and the general opinion appeared to be that they are either completely useless or else simply uniformed hooligans. The general public safety situation was better, and there was a decrease in all forms of crime. There were no civil disturbances of note during the month.

17. During January 1,370 refugees were evacuated; one camp was returned to the Italian military authorities and another handed over to UNRRA. Some 750 Italian miners and families are still awaiting repatriation to BELGIUM (see p.11 Displaced Persons S/C report), and a further 220 Italians were sent to GENOA for repatriation to BELGIUM and FRANCE.

18. No difficulties whatsoever were experienced in the running of rail services, and telecommunications were satisfactory.

TRIESTE REGION.

19. The first month of control of the Region by the Italian Government brought no disorder and no break-down of vital functions. The situation on the Franco-Italian border remained quiet, although the constant stream of rumours kept the border inhabitants unsettled. Progress towards the elections was noted in each Province and several have completed their lists.

20. All provinces reported that they had stocks of grain or flour sufficient to supply them for ~~two~~ six weeks. Much bitterness was aroused by the high cost of living and industrialists realised that a modification of the value of the lira in terms of foreign exchange was most necessary.

21. Fiat, which employs about 60,000 workers, produced more than 1,000 trucks and cars during the month, although the shortage of coal presented a serious problem. The shortage of electrical power throughout the north also complicated the general

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

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

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PIEDMONTE REGION.

19. The first month of control of the Region by the Italian Government brought no disorder and no break-down of vital functions. The situation on the France-Italian border remained quiet, although the constant stream of rumours kept the border inhabitants unsettled. Progress towards the elections was noted in each Province and several have completed their lists.

20. All provinces reported that they had stocks of grain or flour sufficient to supply them for [illegible] six weeks. Much bitterness was aroused by the high cost of living and industrialists realised that a modification of the value of the lira in terms of foreign exchange was most necessary.

21. Fiat, which employs about 60,000 workers, produced more than 1,000 trucks and cars during the month, although the shortage of coal presented a serious problem. The shortage of electrical power, throughout the north, also complicated the general industrial situation. Amassing continued but with small returns.

22. Unemployment registration showed a 25% increase during January; on 20 December 1945, there were 43824 registered, and on 20 January 1946 there were 52617. Industrial unrest however decreased and only three strikes of consequence were reported. Public works projects supplied some much needed employment.

23. Judicial activity in the Region was satisfactory. The morale of the public security agencies was good, although the continued shortages in arms, equipment and transportation still caused concern. The crime situation was satisfactory, and robberies and thefts were on a decreasing scale. No important crimes were reported. Six truck loads of arms and ammunition were found in NOVARA.

24. Public health was good, with seasonal incidence of measles.

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

29. Schools appeared to be operating satisfactorily.

30. The main railway lines were all in operation, hauling an increasing tonnage, and all roads and highways were usable during the month.

VENEZIA REGION.

27. The political situation in the area was characterised by a policy of inaction on the part of most of the parties. The leftist elements did not, in general, succumb to the temptation to provide a rallying point for strong action by the "reduci" and the other unemployed, and it was noticed that the parties of the Right gained in courage, since avowed Monarchists talked openly in a manner which would not have been prudent last year. Administrative elections will be held in most of the provinces on 24th and 31st March. It is realised that these elections will probably represent a very real evidence of the respective strengths of the parties, and the result may be sufficient to cause an alteration in the make-up of the Government.

28. The public safety position was not unsatisfactory and the hand-over of authority to the Italian Government took place in a calm atmosphere. The Carabinieri and Questure agents continued to show increasing enterprise in tackling criminals although armed, robberies, usually by masked gangs, continued.

29. Industry continued to suffer from lack of raw materials, lack of money and high production costs, but it was realised that even if the raw materials were available, production costs would be so high that it would not be possible to manufacture articles at prices which the consumer could afford. During the month 40,000 tons of coal were imported through VENICE.

30. The amassed stocks of grain were practically exhausted and throughout January the region was fed on imported wheat. It is hoped that stocks in hand and deliveries will be sufficient to provide a bread ration until the end of February. Perhaps one of the most depressing features of the whole position is the blind and unfailing assumption that Allied supplies will continue to be received. To some extent this is induced by newspaper articles reporting in optimistic tones statements made by UNRRA and other formations in Rome as to the help to be given to ITALY. The fact is that the Region is living from hand to mouth.

31. The continued requisition of schools presented a serious problem at MESTRE, UDINE and MONTEBELLUNO.

32. On the whole the fine weather during the month benefitted the entire Region and raised public morale, in spite of the unemployment problem and the spirit of bitterness among many of the "reduci".

ALLIED MILITARY GOVERNMENT VENEZIA GIULIA (XIII CORPS)

33. There was an increased flow of propaganda in the Jugoslav and local pro-Jugoslav press in anticipation of the expected visit of the Foreign Ministers' delegates. There are however definite indications of an anti-Tito movement amongst the Slovenes in the GORIZIA Area. During January a further two Communes changed from direct AMG to Government rule in accordance with the terms of General Order No 11, a further sign of Slovene acceptance of this order. All Areas now have Area Presidents and Councils and 20 of the Communes have Commune Presidents and Councils, all functioning in accordance with General Order No 11. The other 20 Communes still

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

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34. The public safety situation improved during January, due unquestionably to an increase in the strength and efficiency of the Venezia Giulia Civil Police Force. At present the Force is composed of 9,400 officers and men. There was no noticeable increase in black market activities.

35. A general order is being prepared to establish the control of movement across the Morgan Line; all exports, imports and goods in transit are already controlled by a system of licensing. Supply ships have been in the habit of arriving almost two months behind schedule and it was therefore necessary to borrow food both from Army sources and the Italian Government. The normal AC ration scales were however maintained.

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

36. Tonnages moved by road during January showed a marked decrease from those of preceding months, and 4,306 tons only were hauled outwards; 22,573 tons were handled in the ports. Only 31 tyres were received during the month for the whole of VENEZIA GIULIA.

37. The amassing of Indian corn progressed slowly. No more forced amassing laws for VENEZIA GIULIA are being considered, since voluntary amassing at economic prices has proved more satisfactory. Forty more horses recently arrived from AUSTRIA and have been consigned to needy farmers in the GORIZIA Area.

38. The month of January saw the final settlement of the general wage negotiations, and the settled basic wage was the "MILANO" or North ITALY rate, plus a contingency r of 170 lire on a mobile scale to change every three months. On 4 January a demonstration was organised in TRIESTE to complain about the workers' wages, and a widespread strike among all the shipyards occurred on 31 January. An agreement was however reached the same day. The total number of unemployed was 28,250.

39. Work in the shipyards was marred by the labour troubles mentioned above which resulted in delayed and uncertain dates of completion. About 420,000 metres of cotton cloth were produced during the month from American cotton; the mills worked slightly under 50% capacity. More stringent restrictions were imposed on the use of electricity. Rehabilitation of the port of TRIESTE continued, and at present the port facilities are adequate in relation to the railway clearance facilities. During January consumption of petrol, gasoil and lubricants was less than in previous months, and all requirements were easily met; 24,105 tons of coal and 25,000 quintals of firewood were received.

40. Owing to bad weather little progress was made in the repairing of roads, but the work of repairing of houses in the distressed areas progressed satisfactorily.

41. Public health was remarkably good, and the incidence of diptheria showed a marked decrease.

42. The flow of displaced persons continued; 671 civilians and 76 ex Ps. W. passed through the area during the month. Ten additional properties of all classes were taken under Allied control, thus bringing the total to 335 to date.

43. 271 accused were tried by AMG courts on 331 charges, as compared with 294 accus tried on 335 charges in December 1945. Cases tried by the Superior Courts (21 on 27 charges) however showed an increase over the figures for December 1945. The indigent Civil Courts functioned with reasonable satisfaction.

44. All schools in TRIESTE City and in surrounding Communes were furnished with fuel, either coal or wood, and projects for school repairs and reconstruction are bei approved. Good progress continued to be made in the acceptance by parents of AMG educational control, despite the resistance of the PWOO (s e p.10 Education S/C report

45. Up to 31 January 1946 approximately 2,000,000 lire had been paid out to ex-partisans.

APPLEBY.

6. The Italian Prime Minister visited NAPLES on 26/27 January, and made a speech which raised no controversial issues, and which was well received by all parties. It

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

[illegible] every three months. On 7 January a demonstration was organised in TRIESTE to complain about the workers' wages, and a widespread strike among all the shipyards occurred on 31 January. An agreement was however reached the same day. The total number of unemployed was 28,250.

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45. Up to 31 January 1946 approximately 2,000,000 lire had been paid out to ex-partisans.

NAPLES.

46. The Italian Prime Minister visited NAPLES on 26/27 January, and made a speech which raised no controversial issues, and which was well received by all parties. Slow progress in the compilation of electoral lists was reported from NAPLES. In six other provinces however the completion is practically completed.

5120

47. On the evening of 21 January the serious explosion at TORRE ANNUNZIATA occurred when an ammunition train caught fire and blew up in a series of violent explosions. Over 40 persons lost their lives and about 250 more were injured. An immense amount of damage was done and the casualty list would have probably been considerably higher had there not been an interval of about an hour between the first and last serious explosion. Fire services and relief organizations turned out quickly and by midnight the fire was under control and the seriously injured removed to NAPLES. The British Area Command rendered prompt assistance with the loan of food and tents, while UNRRA provided blankets and medical stores.

48. The small stock of grain available in the depots caused much anxiety, and the ~~ration~~ distribution had to be suspended.

49. The Xmas bonus helped the labour situation, but unemployment continued to grow in NAPLES, although in the Provinces, where the population is largely agricultural, returned prisoners were absorbed on the land and the problem was less acute. Three small stoppages of work occurred during the month.

50. Clearance of bomb damage made progress, and an extension of the railway to SORRENTO is also being considered in order to provide relief work for the unemployed.

51. 105 cases of petitions for pardon were dealt with during the month. An American War Criminal trial held in NAPLES during the month was an impressive display of legal procedure and justice.

52. The strength of the Carabinieri was increased by the return of 200 officers and men from BARI, which was greatly appreciated. Just under 2,050 cases of crime were reported as compared with 2,100 in December 1945 and the proportion of arrests remains high, 1,350 being made during the month. On 10 January a demonstration of returned prisoners of war produced a situation which was temporarily threatening. Fortunately good sense prevailed and order was maintained in the City. Other demonstrations elsewhere caused minor disorders.

53. Cleared civilian imports to NAPLES were on a reduced scale but heavy grain shipments were dealt with at satellite ports in spite of damage to grain elevators at TORRE ANNUNZIATA. The shortage of wagons continued and clearance was not satisfactory.

54. Smallpox was not eliminated during the month, but no serious epidemic occurred.

LIVORNO.

55. There was considerable political activity throughout LIVORNO Region during the month, but there appeared to be no bitterness between the various parties. All preparations went forward for the administrative elections, which will be held in March.

56. Progress in the rehabilitation of industry was slow, mainly owing to the lack of raw materials, tools and transport. Many military units moved out of plants and buildings formerly occupied by private industry and steps were taken to put these factories into operation as quickly as possible, although the acute shortage of coal and other fuels hindered their rehabilitation. The manufacture of pasta was suspended owing to the scarcity of wheat and, there were little or no oils or fats.

57. Considerable agitation was made by persons employed in Allied military units regarding the low pay scale under which they worked as compared with the scale in operation for employees of private firms and the Italian Government. Unemployment was widespread throughout the Region and public works projects were approved by the Prefect mainly in order to give the people something to do.

58. There were no demonstrations or displays during the month and public morale was excellent. There is however still a great deal of crime and bandits continued to attack motorists and wayfarers, although the wave of petty crime has been completely stamped out. Numerous arrests were made and many tons of loot were recovered. The presence of the military police in LIVORNO, MANFREDI, PISA and GROSSETO appeared to give the Questura, Public Safety Agents and Carabinieri moral support, and it was noticed that the agencies were far more efficient in those areas.

59. There was still some typhoid in the PISA-LIVORNO area, but not of serious [illegible] the CCS handled all nationals, and processed 14,200 during

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

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

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APULIA AND SOUTH ITALY (as reported by A.C. Liaison Officer BARI).

60. It is thought that the Communist Party does not have so much support as it did, and there appeared to be more display of feeling against it than was previously the case. Italian prisoners returning from RUSSIA were most actively hostile to it. A distinct attitude of indifference was displayed towards the elections, but the people as a whole are in favour of the compulsory vote.

61. The public safety situation was satisfactory in every province except in BARI where the situation was worse than before. The police were generally insufficiently mobile and more transport is urgently needed.

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

However it was apparent that the Carabinieri felt more sure of themselves and have greatly improved in their organisation and efficiency. Murders more few and robberies decreased. There are approximately 700 Carabinieri in BARI, and attempts are being made to bring them up to the desired strength of 700.

62. There was no change in the economic situation which was still critical owing to a shortage of raw materials and transport. Although the labour position in BARI itself was satisfactory, in the outlying districts there was a grave amount of unemployment, which is increasing. The Public Works department did their utmost to provide work for the unemployed who were also assisted by a subsidy from the Italian Government. The discontinuance of the pasta ration did not have any very noticeable repercussions.

63. 120 displaced persons were repatriated during the month. Public health was good the epidemic of smallpox (22 cases reported in BARI during January) having been checked.

SICILY (as reported by A.C. Liaison Officer).

64. The food situation was critical throughout the island, and in the absence of pasta rations there were no food reserves for the non agricultural coastal towns. The situation was further aggravated by the non-arrival of grain ships.

65. Banditry throughout the island was rife during the month, and the public safety situation was most serious. Raids were made by both sporadically organized groups and by well-disciplined bands whose programme was apparently that of harassing the police authorities, especially the Carabinieri. The motives of the bands remained unknown, although it was appreciated that the possibility of widespread civil strife was very real.

66. Coal and petrol remained in short supply, and the lack of road building materials hindered the carrying out of that type of public work.

NAPLES (as reported by A.C. Liaison Officer BOLOGNA).

67. With the approach of the elections political activity increased; all the parties held meetings and there was much propaganda by the Communists, Socialists and Christian-Democrats. Although nothing definite is known of the Squadre Italiane Mussolini, its existence is very real and it appeared to be more active during the month.

68. Local provincial government functioned fairly satisfactorily, although there was a certain lack of discipline among the Sindaci. Lack of Communal funds also presented a serious problem, since every one was carried a deficit on its budget.

69. The food situation was not satisfactory, since stocks of grain held in the Region were sufficient for about 15 days only. Therefore the population will have to depend entirely upon imported grain, although consignments from shipments which have already arrived at ports, or are due to arrive shortly, will be sufficient to maintain the ration until the end of February. Lack of coal, electric power and raw materials continued to hinder the rehabilitation of industry and commerce.

70. Unemployment increased somewhat but it is hoped that it has reached its peak. Lack of fuel and power further increased the problem. However in NAPLES' Province employment was given to 1,000 workers in a silk factory and 600 workers in a hardware factory.

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71. Public Works projects continued slowly as far as repairs to bridges, roads and railways were concerned. Lack of raw materials and the exceedingly slow release of funds from the Italian Government caused much delay. The shortage of electricity continued, causing inconvenience and hardship in industry and in private homes.

72. All Italian Courts functioned satisfactorily but slowly, while the situation as regards Public Safety continued to be deplorable. During January there was an increase in crime and 45 arrests were made for the 212 crimes committed. The Carabinieri worked as well as could be expected bearing in mind their many handicaps, but the future should no doubt improvement. Some reports of gun running from the Dalmatian and Albanian coasts to BARI', BRINDISI and FOGGIA were received and are being dealt with by the appropriate police agencies. Prison breaks occurred at BOLOGNA and BARI' and generally speaking the prison situation remained unsatisfactory. There were no public disorders or serious demonstrations during the month.

5119

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

73. Public health was generally good and there were no serious epidemics although there were some cases of diptheria in BOLOGNA and malaria in FERRARA.

74. Some schools had to close owing to the cold weather and lack of fuel, but conditions on the whole remained satisfactory.

BOLZANO PROVINCE.

75. The change over from Allied Military Government to Italian Government control took place without any difficulties. The speech by the Prime Minister on the future of the ALTO ADIGE was not received with enthusiasm by the German-speaking population and the declared policy of the South Tyrolian Volkspartei, which is openly that of a return of the province to AUSTRIA, remained unchanged. The preparation of the electoral lists was impeded owing to a reversal of the instructions received late in December. Some 59 of the 91 Communes had already submitted their lists, which now have to be amended.

76. The Italian law courts were hampered by a shortage of judges and 236 cases were still awaiting trial at the end of the month. The public safety situation remained good, with the Carabinieri working satisfactorily. A number of arrests were made following a murder and some robberies, and the Questura continued to control civilian movement at the BRENNER frontier.

77. The food situation was satisfactory and all rations were regularly distributed. Meat, fats, vegetables and fruit were plentiful but only available at high prices.

78. Public health was, on the whole, good, although there were 64 cases of diptheri and 27 cases of typhus. It was stated that there were about 1,200 unemployed, althou there were no strikes or demonstrations on the part of the workers.

79. The dorequisitioning of part of the building occupied by Allied Military Govern ment eased the problem of school accomodation, but the provision of text books for the German-speaking population remained unsatisfactory.

80. Progress in repatriation of German citizens was delayed by the non-arrival of the promised train from GERMANY, and as a result some 420 enemy aliens had to remain in the area. Some 2,000 in all remain to be repatriated.

ALLIED MILITARY GOVERNMENT VENEZIA PROVINCE.

81. January was a quiet month politically and the meetings of all the parties were invariably orderly. Yugoslav propaganda continued and terrorist methods were sometimes applied, which were strongly resented by the local inhabitants.

82. Local Government was satisfactory, but the bureaucratic methods of some of the Provincial and Communal offices tended to impede progress. Administrative elections will be held in some 32 Communes on 24 March; incomplete electoral rolls prevent others being held elsewhere in the Province.

83. The morale of the Carabinieri continued to improve in spite of all their disadvantages, but grave concern was felt over their lack of personnel. During the month over 22 arrests were made for murder, robbery, and extortion. The serious shortage of warm clothing, boots, arms and transport continued, and as a result many carabinieri were obliged to purchase clothing for themselves. Only by an improvement can th 20 Carabinieri available for 65 stations have to cope with the persistence and daring

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

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ALLIED MILITARY GOVERNMENT VENEZIA GIULIA PROVINCE.

81. January was a quiet month politically and the meetings of all the parties were remarkably orderly. Yugoslav propaganda continued and terrorist methods were sometimes applied, which were strongly resented by the local inhabitants.

82. Local Government was satisfactory, but the bureaucratic methods of some of the Provincial and Communal offices tended to impede progress. Administrative elections will be held in some 22 Communes on 24 March; incomplete electoral rolls prevent others being held elsewhere in the Province.

83. The morale of the Carabinieri continued to improve in spite of all their disadvantages, but grave concern was felt over their lack of personnel. During the month some 28 arrests were made for murder, robbery, and extortion. The serious shortage of warm clothing, boots, arms and transport continued, and as a result many carabinieri were obliged to purchase clothing for themselves. Only by an improvement can th 300 Carabinieri available for 65 stations hope to cope with the persistence and daring of the modern bandits. Public morale continued to be adversely affected by doubts as to the future, unemployment, lack of accomodation, high prices and the lack of a strong police force. There were a few minor strikes, lockouts or demonstrations all without incident, while the prison situation continued to be unsatisfactory.

84. During the month 57 cases were tried by AMG Courts, of which 18 were Superior Court cases.

85. The food situation was a constant source of anxiety owing to the lack of imports of basic rationed commodities. However a regular distribution of flour was made to all communes. The economic situation also continued to be serious owing to the high cost of living although prices of commodities have fallen in many instances. During the month 125,000 quintals of firewood were supplied to 5 provinces, while in UDINE Province itself 474,196 quintals were distributed. 136,462 quintals of wheat were

amassed; amassing of maize continued slowly and it is not expected that the estimated figure of 60,000 quintals will be reached.

86. 2634 Italin and 520 non-Italian refugees passed through the Area in January.

87. The coal allocation for the month, 4,700 tons against a bid for 5,300 tons was insufficient for the needs of industry. The tyre situation was critical since no civilian tyres were available, and motor bus services, which have recently common were seriously hindered by this shortage. A small quantity of raw cotton was receiv which enabled factories to commence production at 5% of their normal capacity. Many other factories resumed production at 60% of their normal capacity, although the lack of coal hindered their activity.

88. Repair work on military roads continued satisfactorily but on a reduced scale owing to weather conditions.

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

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

5118

4

- 9 -

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PART II

CIVIL AFFAIRS SECTION

LOCAL GOVERNMENT SUB-COMMISSION.

1. The Special Commission of the Consulta which was studying the draft law for national elections has completed its work. The council of Ministers has approved the draft law for the reconstruction of the communal councils and for elections to these bodies.

2. The Italian Government has decided to hold elections for Communal Councils (in those Communes which are ready) on Sundays the 10th, 17th and 24th March. It has been announced so far that 413 Communes will hold elections on the 10th and 736 on the 17th of March respectively.

3. The figures given below indicate the position as regards electoral lists as at 15 January 1946.

a) Southern and Central ITALY

Total No. of Communes	3586
No. of Communes whose male lists have been approved	1397
No. of Communes whose female lists have been approved	1695

b) Northern ITALY (including AMG UDINE)

Total No. of Communes	3628
No. of Communes whose male lists have been approved	225
No. of Communes whose female lists have been approved	372

c) A total of 1456 Communes, constituting about 20% of all Communes in ITALY, excepting VENEZIA GIULIA, have both male and female lists approved.

4. A draft of a proposed General Order on the compilation of electoral lists in VENEZIA GIULIA was sent by the Italian Government to the A.C. for perusal and comments; it was in effect a consolidation of the Italian electoral laws.

LEGAL SUB-COMMISSION.

5. During the month of January AMG Courts were held in VENEZIA GIULIA and the province of UDINE only. In VENEZIA GIULIA 271 accused were tried by Summary Courts on 331 charges; only 7 cases of illegal possession of arms were reported, the majority of crimes being for theft and possession of Allied property. In the province of UDINE AMG Courts tried 87 cases, 18 of them Superior Court cases.

6. The Italian Courts in NAPLES faced serious obstacles, due to shortage of transportation, personnel and communication, but in LA SPEZIA, UDINE, LIVORNO and VENEZIA GIULIA the Civil Courts functioned with reasonable satisfaction. A decree was passed exempting from transfer-tax Allied property fictitiously sold to Italian nationals during the war in order to avoid confiscation.

7. A working system for the review of all cases where the persons are still in prison was put into operation during the month and good progress was made.

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

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

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EDUCATION SUB-COMMISSION.

8. Plans were worked out for giving special training in education and child psychology to a group of Italian university professors; the necessity for this training arises from the complete absence of courses in this field in ITALY during the past twenty years of Fascism. Youth activities and adult education work continued to be extended.

10. AMG requisitioned three floors of a school premises there (see p. 8 BOLZANO report). Textbooks in the German language have arrived in the province from SWITZERLAND.

11. The request of certain communes in UDINE to have schools in Slovene and German has, after careful study and conference with the Minister of Public Instruction, been refused. Extra-curricural classes in these languages however will be permitted under official supervision.

12. Schools were reopened in VENEZIA GIULIA on 8 January and supplied with fuel. Schools at IDLIA reopened again after having been damaged by explosions from the nearby ammunition dump. Twenty million lire has been appropriated for re-equipping the schools of GORIZIA Area, and schools desks are being manufactured. 77% (126 out of 162) of the communes have now accepted the direction of the AMG school administration. The AMG school programs, in Slovene, were printed and distributed free to all teachers. Despite the organised opposition of the CLN, the villages are, for the most part, receiving the AMG educational directives warmly and parents seem glad to have their children attend schools free from political indoctrination.

PUBLIC HEALTH SUB-COMMISSION.

13. No cases of Bubonic Plague were reported from Southern ITALY during the month, but the incidence of Smallpox showed an increase.

14. Only one case of Typhus was reported; infant mortality rates showed an increase.

15. Deaths from all forms of tuberculosis in ROME numbered 198 in December as compared with 180 in November.

PUBLIC SAFETY SUB-COMMISSION.

16. Since the handover of the northern territory to the Italian Government on 1st January 1946 public safety conditions remained reasonably calm.

17. The morale and efficiency of the Italian Police Services continued to improve despite the shortage of clothing and equipment, and the agencies did some really good work in the prevention and detection of crime. The number of serious crimes still remained high especially in EMILIA Province where police resources are fully extended in dealing with them. Banditry flourished in SICILY but energetic action by the Carabinieri had a deterrent effect. There were a few minor strikes and demonstrations but none of them were of a serious nature.

18. A number of raids for arms were carried out by the Civil Police, with fairly good results, but large numbers of arms still remained concealed.

19. The prison situation remained acute owing to lack of accommodation. A demonstration occurred in the GENOA Prison but was quickly subdued by the Carabinieri who were called in to assist the Prison staff. During the month 2 prisoners escaped from FORLI' Prison, EMILIA, 10 from SALUZZO, 6 from CARCALENTI and 9 from ALBA, in PIEDMONTE, but a number were recaptured.

MONUMENTS FINE ARTS & ARCHIVES SUB-COMMISSION.

20. Good progress was made in the completion of the photographic record of damage done to Italian monuments. Action was taken by the Italian Government preventing further dispersion and thefts from among the archives of Fascist records, a measure rendered necessary by the continued appearance in the press of documents

5117

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

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21. Part II of the Final Report on Archives has been prepared and issued during the month under review.

DISPLACED PERSONS AND REPATRIATION SUB-COMMISSION.

22. The Repatriation Branch of the Sub-Commission was prepared for the handover to UNRRA with effect from 1st February 1946. Authority was however obtained from AFHQ for the retention of those Camps which are needed for the accommodation of Displaced Persons not accountable by UNRRA.

5117

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

23. By 31 January a total of 947,084 Italians had been repatriated to ITALY and 761,919 Italians had been received from EUROPE since the occupation of GERMANY. During the month 443 Italian children and about 50 adults returned to their homes in TRIPOLITANIA, and 450 children returned to their parents in EGYPT. 250 Iraquis, Iranians and Afghans were accepted for transit through ITALY to their respective countries. Some 500 Italian miners who formerly worked in BELGIUM left GENOA for NICE by road on the first stage of their journey to BELGIUM.

24. All Medical Centres continued to be supplied with medical stores from UNRRA Medical Store, BOLOGNA.

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

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

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

PART III

ECONOMIC SECTION

FOOD AND AGRICULTURE SUB-COMMISSION.

1. Owing to continued deterioration in supplies, both imported and local, suspension of the pasta ration throughout ITALY except in MARCHE and UMBRIA and six surplus grain-producing provinces was effected. The overall stock situation thereby improved somewhat at the expense of the ration. As a result 65,000 tons were saved during January. The proportion of the "generi da minestra" issued as rice in North ITALY was maintained at the December level. Cereal stocks on hand, excluding rice, were approximately 211,000 tons at the end of the month, less than a month's consumption figure.

2. A procedure has been put into operation whereby supplies originally requisitioned under the old Military Program "to prevent disease and unrest" are turned over to Peninsular Base Section, for sale to the Italian Government. This should eliminate any unnecessary delay in these supplies being placed on the market.

3. Information was received during January that CCS had accepted the final requisitions submitted by AFHQ for the civilian maintenance of VENEZIA GIULIA during the period 1 January to 30 June 1946. The call forward intended for the January maintenance will not be loaded until February and therefore probably not available for distribution in VENEZIA GIULIA until March. As regards wheat, the gap has been bridged partly by applying the procedure used during the period September - December 1945, that is part-load diversions of ships intended for the maintenance of ITALY, imported under the FEA Interim Program, and partly by certain further loans from military stocks which have been already arranged by AFHQ. Grain will be made available for UDINE, if only on a week-to-week basis, out of FEA programmed imports until the first shipment against the military requisition arrives. It is to be noticed that the military responsibility for the feeding of VENEZIA GIULIA has been fulfilled only by borrowing from the Italian economy.

4. A tentative chart has been sent forward by the Italian Government of estimated surpluses for export, reconciling the necessity of keeping as much food as possible for internal consumption and the advisability of not depressing a traditional source of foreign currency which will be needed for essential imports.

5. The rationing programs showed no improvement during January, as receipts of both cereals and olive oil were relatively small.

6. The inauguration of the 1946 agricultural supply program was marked by the receipt of shipments of seed potatoes, tractors, tractor spare parts, nitrogenous fertilizers and important spray materials. Port inspections made during unloadings showed all supplies to be arriving in good condition. Distribution to individual farmers was unnecessarily delayed by the indecision of the Italian Government in fixing the sale price of each item.

7. Moderate to sharp declines in the price of meat animals were registered

5116

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2. A procedure has been put into operation whereby supplies originally requisitioned under the old Military Program "to prevent disease and unrest" are turned over to Peninsular Base Section, for sale to the Italian Government. This should eliminate any unnecessary delay in these supplies being placed on the market.

3. Information was received during January that CCS had accepted the final requisitions submitted by AFHQ for the civilian maintenance of VENEZIA GIULIA during the period 1 January to 30 June 1946. The call forward intended for the January maintenance will not be loaded until February and therefore probably not available for distribution in VENEZIA GIULIA until March. As regards wheat, the gap has been bridged partly by applying the procedure used during the period September - December 1945, that is part-load diversions of ships intended for the maintenance of ITALY, imported under the FEA Interim Program, and partly by certain further loans from military stocks which have been already arranged by AFHQ. Grain will be made available for UDINE, if only on a week-to-week basis, out of FEA programmed imports until the first shipment against the military requisition arrives. If is to be noticed that the military responsibility for the feeding of VENEZIA GIULIA has been fulfilled only by borrowing from the Italian economy.

4. A tentative chart has been sent forward by the Italian Government of estimated surpluses for export, reconciling the necessity of keeping as much food as possible for internal consumption and the advisability of not depressing a traditional source of foreign currency which will be needed for essential imports.

5. The cutting programs showed no improvement during January, as receipts of both cereals and olive oil were relatively small.

6. The inauguration of the 1946 agricultural supply program was marked by the receipt of shipments of seed potatoes, tractors, tractor spare parts, nitrogenous fertilizers and important spray materials. Port inspections made during unloadings showed all supplies to be arriving in good condition. Distribution to individual farmers was unnecessarily delayed by the indecision of the Italian Government in fixing the sale price of each item.

5116

7. Moderate to sharp declines in the price of most animals were registered during the month in most provinces. Further declines may be expected, as there is a growing apprehension on the part of producers that present high prices will not long be maintained. Prices of fresh milk and meats remained high with no noticeable changes reported.

8. Firewood production during January greatly exceeded that of other months and was much above the goal set when the monthly cutting schedules were originally established.

FINANCE SUB-COMMISSION.

9. The Italian Government have concurred in the Currency Agreement proposed in FAN 583; under this it accepts responsibility for the issuance of AM Lire.

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

10. CCS stated that the Allied Financial Agency should be transferred as soon as possible from Allied Commission to the command of AFHQ, and it was arranged to carry out this transfer with effect from 15 January 1946.

11. During the month CCS ruled that since ITALY was not free to set exchange rates and to control her foreign trade, no objection should be raised by the Allied Commission to the "Compuaglio" program of the Italian Government. They further stated that the views of the U.S. and U.K. Governments on the relationship of the financing program to other economic matters would be discussed through diplomatic channels.

12. As part of the program to reopen private foreign trade, the Italian Government is completing the rehabilitation of its custom services.

13. Pursuant to TAM 737, the Italian Government was informed that it is no longer necessary for the Italian foreign exchange control authorities to obtain the approval of the Allied Commission before authorizing the transaction of insurance business outside ITALY.

COMMERCE (FOREIGN TRADE) SUB-COMMISSION.

14. Arrangements were made during the month for the restoration of private trading between ITALY and other countries, and a decree established the "Compuaglio" by which imports are to be overpriced and exports are to be granted a premium. The purpose of this arrangement is to provide for the equalization of Italian exports to international prices.

15. Further restrictions on Italian foreign trade were removed by the closing down of the Allied Forces Local Resources Board at the beginning of the month. AFHQ decided that no military clearance of proposed exports is now required.

16. On 28 January it was announced that Italian declarations of exportable surpluses would no longer be screened by the Allied Commission. At the same time Italian exports ceased to be classified into two types, A and B, to which different marketing and pricing policies were applicable.

17. The most important items which ITALY is to obtain from AUSTRIA under the agreement made in January are timber, cellulose, magnetite, graphite, coalin, and fireproof material. The contract is for a period of six months, the exchange to take place on a barter basis without any exchange of money, and the ratio of qualities to be exchanged to be worked out on 1937 prices.

18. The commercial agreement between ITALY and SPAIN was signed on 10 January 1946. The agreement covers the current year up to 31 December 1946 and it is stipulated that consideration will be given during the year 1946 to the conclusion of a further agreement for the year 1947.

19. Essential oils and citric acid were deleted from the Reserved Commodity List during January, and it is no longer necessary to clear with WASHINGTON citrus juices, fresh citrus fruit, tomato paste and canned tomatoes.

20. A gross weight total of approximately 5,000 tons of goods was exported from ITALY during January, the total value amounting to approximately

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

13. Pursuant to TAM 737, the Italian Government was informed that it is no longer necessary for the Italian foreign exchange control authorities to obtain the approval of the Allied Commission before authorizing the transaction of insurance business outside ITALY.

CONSENS (FOREIGN TRADE) SUB-COMMISSION.

14. Arrangements were made during the month for the restoration of private trading between ITALY and other countries, and a decree established the "compensation" by which imports are to be overpriced and exports are to be granted a premium. The purpose of this arrangement is to provide for the equalization of Italian exports to international prices.

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20. A gross weight total of approximately 5,000 tons of goods was exported from ITALY during January, the total value amounting to approximately 1,140,000 dollars. This represented a considerable increase over December shipments, the total value of which was 650,000 dollars.

21. During the month, a steadily increasing number of applications for imports were submitted by the Italian Government. At the end of the month, the responsibility for screening Italian foreign trade was relinquished by Allied Commission, except for items included in the Reserved Commodity List.

INDUSTRY AND UTILITIES SUB-COMMISSION.

22. Lack of electric power in Northern ITALY and reduced imports of coal resulted in the industrial situation becoming more critical in January than in previous months. The Northern Italian Steel Plants are operating at

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

approximately 30% capacity, owing to lack of power, coal, and raw materials. This figure is well below their economic level.

23. Prices of cotton and woollen goods fell as a result of a standstill in sales. It is estimated that the present stock of cotton goods amounts to 100 million kilograms, and a large amount of unfinished goods exists owing to the reduced operation of the finishing plants through lack of coal and dyes etc.

24. Production of tyres recommenced at the Pirelli Plant in MILAN and 2,000 tyres and tubes were made in January.

25. 13,914 tons of cotton, 1,059 tons of wool and 15,015 tons of French phosphate rock were imported during the month. 51,481 tons of Sardinian coal were mined in December, the decrease resulting from lack of pit props. 55,000 tons are estimated to be mined in January.

26. There was an improvement in the January loadings of coal from the U.S., which conformed more closely to ITALY's allocations. February arrivals are expected to be in the region of 400,000 tons but after the deduction of 200,000 tons for military and railway purposes it will be realised that the quantity of coal remaining for industry is far below that which is required.

27. Owing to the non-arrival of tankers from U.S., stockpiles of F.O.L. were reduced to a very low level towards the end of the month and it was necessary to warn the Italian Government to reduce February allocations to a strict minimum until the scheduled tankers arrived.

28. The February 1946 power allocations for Central and Southern ITALY were practically the same as the January 1946 allocations, but are to be subject to downward revision if the drought conditions continue during February. The TERNI reservoirs only hold about fifteen days supply at the present rate of withdrawal. The continued drought affected the power supply in all ITALY and necessitated control measures, rationing and feeder cuts. 70,000 KW capacity was put out of service for a period of fifteen days at the Sila plants which supply Southern ITALY, owing to a landslide at the intake. In North ITALY rationing measures only produced about 13% reduction as against the 30% required to provide sufficient power for the months of March and April. The only important plant which was restored to service during the month was a unit of 12,000 KW capacity at the natural steam plant at CASTELNUOVO.

LABOUR SUB-COMMISSION.

29. Basic wage rates were reviewed during the month and proposals put forward to standardise the cost of living bonuses into variable scales for application in cities, small towns and country districts. A formula for consideration by representatives of the Italian Government, Italian private industry and the Allied Force Labour and Wage Committee was, as a result, prepared for consideration. In the North implementation of the wage agreement negotiated in MAY proceeded, but there were no major changes in the prevailing rate of wages.

X. The percentage of "reduci" which firms in Italian industry must employ in relation with their total payroll was laid down by a decree of the Council of Ministers. Pending publication of this decree the Prefects received

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

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30. The percentage of "reduci" which firms in Italian industry must employ in relation with their total payroll was laid down by a decree of the Council of Ministers. Pending publication of this decree the Prefects received instructions to give immediate effect to its provisions.

5115

31. At NAPLES on 10 January there was a demonstration by repatriated Italian prisoners of war and workers returning from labour in GERMANY, and on 31 January workers in restaurants, cafes and bars in ROME proclaimed a general strike for the pirpose of obtaining a wage increase which was subsequently granted.

32. Discussions were in progress during the month concerning the emigration of Italian workers to FRANCE and BELGIUM, and a mission to promote emigration of Italian workers to S. AMERICA left ITALY during the month.

33. In January 1946 the number of civilians employed by the Allied Forces

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

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

was 182,766, which represents a decrease of 16,632 on December 1945.

34. The monthly food expenditure in ROME in January of a family of five persons on a standard food budget with a caloric value of 2,200 calories per consuming unit was 14,767 lire. Of this total 1,109 lire was spent on food purchased by Food Card, and 13,658 lire on food purchased on the free market.

35. This figure has been calculated on a revised basis instituted by the Central Institute of Statistics. Hitherto the standard budget was fixed on a national basis, but the quantity of each item purchased was changed month by month and area by area according to the availability and distribution of rationed food, only the number of calories remaining constant. On the revised basis a standard budget has been fixed for each of the four main geographical divisions of ITALY, North, Centre, South and the Islands, and the quantity of each item purchased will remain constant.

36. The January figure cannot in consequence be compared with figures quoted in previous reports, but for comparative purposes the cost of food for previous months in ROME calculated on the new basis is as follows:

December 1945	15,677 Lire
November "	14,198 "
October "	12,069 "
September "	11,614 "
August "	10,730 "
July "	9,928 "

In 1938, cost of food in ROME on the same basis was 416 lire.

37. Figures for other principal cities in ITALY, calculated on the new basis are as follows:-

	July 1945.	August 1945.	Sept. 1945.	Oct. 1945.	Nov. 1945.	Dec.45.
BOLOGNA	9,672	11,006	11,307	12,877	13,827	13,350
FIRENZE	8,760	9,647	11,267	11,961	12,660	12,512
GENOVA	11,339	12,559	11,820	13,267	13,628	13,733
MILANO	11,181	11,832	12,604	12,980	14,726	14,003
NAPOLI	9,211	9,539	10,070	13,179	13,704	12,948
PALERMO	6,684	8,059	8,548	9,781	10,763	10,891
TORINO	10,854	11,561	11,846	13,209	13,328	14,451

TRANSPORTATION SUB-COMMISSION.

38. A comparison of the tonnages moved in all ITALY by rail between January 1945 and January 1946 shows a considerable increase. The Italian State Railways are now responsible for all movement by rail except in the compartments of TRIESTE and VENICE. Refugee trains and salt trains run satisfactorily, but the movement of wine by train continued to present difficulties.

39. All control of roads has now passed to the Italian Government and ENAC officials have been appointed to the Northern compartments.

40. A total of 99,590 tons was moved by Italian coastwise and intra-

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39. All control of roads has now passed to the Italian Government and ENAC officials have been appointed to the Northern compartments.

40. A total of 99,590 tons was moved by Italian coastwise and intra-Mediterranean shipping, which is an increase over the figure for December. Arrivals of ships from the U.S.... were again less than planned. The port and warehouse installations at TORRE ANNUNZIATA were badly damaged in the explosion there, but it is hoped that a reasonable measure of working will be restored in February. Work was satisfactory in all other ports.

PROGRAM COORDINATION BRANCH.

41. With the publication of "Italian Import Requirements 1946" and its despatch to WASHINGTON and LONDON on 24 December 1945, the work of the Program Coordination Branch of Allied Commission came to an end. UNRRA took over the responsibility for meeting the import needs of the Italian people with the January loadings.

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

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

CAPTURED ENEMY MATERIALS BRANCH.

42. Great difficulty continued to be experienced in persuading AFAR to deal with releases made to them by Captured Enemy Materials Branch. Much time was spent in attempting to make the department understand that a quick turnover by them to the industrialists of the country was essential for the early recovery of economic life. Dumps at LAVAGNINO, TRUNICO, LOGGIO, SCHIO, BRESCIA and PONTE S. PIETRO were handed over to AFAR during the month.

43. Fourteen vehicle hulks were sold in January for 466,000 lire. An inventory was made for the purpose of handing over a dump at BOLZANO; it was emphasized that the responsibility for collecting and making inventories of captured enemy material is a military commitment.

44. 22 ammunition dumps and 1 salvage vehicle dump were released; 63 miscellaneous releases were also made.

SURPLUS AND SPECIAL MATERIALS BRANCH.

45. The Surplus and Special Materials Branch, with a view towards its impending liquidation, began to arrange for the disposition of its functions, and conferences were held with UNRRA and other organizations to this end. Virtually all personnel were released or transferred to other branches of the Allied Commission or to UNRRA, leaving only a skeleton administrative staff to perform the remaining tasks of the Branch.

46. The Italian Government, through AFAR, appointed a number of sub-agents in various parts of the country to receive from the Office of Foreign Liquidation Commissioner surplus fixed assets and installations sold to the Italian Government.

REQUISITION BRANCH.

47. An examination of the requisitions to be paid for out of TT (Troop Pay Account) funds has been initiated and a parallel investigation is being made by the Italian Government. The object of both studies is to determine what requisitions should be cancelled in the light of the reactivation of Italian industry and the consequent desirability of importing raw materials rather than finished goods. It is hoped that considerable savings of dollar exchange may be effected as a result of the investigation.

48. Discussions have been held with the office of the Foreign Liquidation Commission, Peninsular Base Section, and AFHQ, relating to the disposal of Military Government supplies brought into ITALY after 30 November. Agreement was reached that Federazione Consorzi should warehouse the goods pending transfer from the Army to the Italian Government through OFLC. Some technical financial difficulties, however, remain to be surmounted.

49. Loans of Italian civil supplies continued to be made to VENEZIA GIULIA and UDINE, as yet, none have been repaid. The Combined Chiefs of Staff and Allied Force Headquarters have intimated that loans made in 1945 may not be repaid but Allied Commission is continuing to press the matter.

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50. Work on Ships' Documents was handicapped by the failure of shipping documents to be made for the disposal of cargo.

51. Work was commenced on the merger of UNRRA's and A.C's supply accounting records, and procedures for UNRRA's supply accounting were established.

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

5114

PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS.

PUBLIC RELATIONS BRANCH.

1. The Allied Publications Board was dissolved on 19 January, with the Italian representative affirming the Italian Government's intentions to carry on the policies established by the Board. Travel facilities to Italian journalists were withdrawn since it was considered timely that this responsibility should be assumed by the Italian agencies.

2. The weekly publication of Economic Notes was started and published under the joint sponsorship of the Allied Commission and UNRRA.

NAVY SUB-COMMISSION.

3. The screening and release of captured enemy materials to the Italian Royal Navy continued. Arrangements were made for the Italian naval authorities to withdraw provision items from Italian army depots; part of the requirements, however, will be supplied from British depots at BARI and NAPLES. The transfer of the fuelling bases of TARANTO, NAPLES and LEGHORN to Italian control and responsibility took place on 1 January 1946.

4. Throughout the month progress was made in handing over minesweeping responsibilities to the Italian Navy. Bad weather brought operations almost to a standstill although some minesweeping was effectively carried out in certain parts of N. ITALY and in the TARANTO area. The British Admiralty approved the loan to the Italian Government of a mobile wiping unit to assist in the clearing of magnetic mines, and an agreement was also reached to loan the Italian Navy 32 British minesweepers. These ships have been turned over to the Italians in small groups and are manned by Italian ratings.

5. Italian cruisers were steadily employed repatriating Italian prisoners of war. The "Duca degli Abruzzi" made two trips with prisoners from the LEVANT and PORT SAID, and the hospital ship S.S."Toscana" arrived in TRIPOLI on 26 January from NAPLES to disembark 600 children returning to their homes from ITALY. It then sailed to PORT SAID with 400 children returning to their families in EGYPT.

6. Extensive data was collected and compiled pertaining to French ships in Italian waters.

LAND FORCES SUB-COMMISSION.

7. The actual strength of the Italian Army as at 1 January 1946 was 124,991, excluding 66,028 Carabinieri. The concentration of the infantry divisions for training was under active consideration, although accommodation difficulties in North ITALY made large scale moves difficult.

8. Work progressed favourably on obtaining accommodation for the recruit training centres, and despite difficulties in the areas of BOLZANO, BARI and UDINE it is anticipated that all the centres will be ready for the first intake of personnel.

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

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9. Plans were made to continue the demobilisation of the older age classes as new intakes are received from call ups. Progress was made with the return of Italian prisoners of war in British hands, some 32,000 being repatriated during the month, together with some 19,000 from other hands.

10. The Carabinieri were given a high priority in the provision of arms, transport and clothing, and although stocks of these items were not large, considerable quantities were issued during the month. The vehicle situation remained serious and difficulty was encountered in the release of MT spares and tyres from captured enemy material stocks.

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

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

AIR FORCES SUB-COMMISSION.

11. The first course in flying control began on 10 January, with 17 officers under instructions. The Italian organization is operating on a few of the airfields, but under present regulations it deals only with flight clearances and tower control.

12. Minor reconnaissance operations unaccompanied by any offensive action were carried out by a flight of several Italian type transport aircraft in support of a ground force operating against Sicilian bandits. Sanction has been given for the Italian Air Force to revert to the use of international call signs on all W/T services.

13. During the month meteorological reporting stations were opened at PISA, VERGGONO, SESTO CALENDE, VERCELLI, CHIETELLO, AREZZO, PIOMBINO and MONTEPULSCIANO. There are now 121 stations open, the target being 140 stations in ITALY and the Islands. British pilot balloons were supplied to the Air Ministry and to the Sardinian Meteorological Service for distribution. The rubber needed by Pirelli for the manufacture of these balloons has not yet been released and further efforts are being made to obtain supplies.

14. There was a decrease of about 2,000 in the total number of ITP personnel during January, chiefly owing to the partial discharge of the 1920 and 1921 classes. The average rate of pay for NCOs (aircrew) is 8,400 lire per month, for specialist NCOs 8,200 lire and for aircrews 1,400 lire. Flying pay has recently been increased from 900 to 3,000 lire per month. Serviceability of fighter aircraft was maintained at a high level, while the serviceability of the P.39s showed a big improvement. Further ITP ventules were located in the MILAN and TURIN areas and release certificates obtained from No. 2 District.

15. A marked decline in the industrial position of aircraft firms was experienced during the month. The ban on all branches of aircraft construction was not lifted and efforts to bridge the interim period by the production of peaceful articles were in many cases abandoned for economic reasons. High production costs, reluctance of consumers to buy owing to lack of money and the expectation of a fall in prices combined to reduce sales to a minimum and no market was found to absorb the bicycles and light vehicles produced by Breda, Macchi, Caproni and S.I.A.I. Marchetti. All these firms were as a result forced to stand down workers, thus aggravating the unemployment situation. Efforts are still being made to find new channels into which surplus labour and machinery can be diverted, but many directors are convinced that only the permission to return to at least a limited programme of aircraft construction will solve the problem. Lack of coal compelled the Fiat works at TURIN to suspend 60,000 workers.

16. All the work in connection with the rehabilitation of the Cadet College at MILEX was completed during the month, and candidates for the first course are being selected. Only 300 ex-Air Force prisoners of war were repatriated in January.

COMMUNICATIONS SUB-COMMISSION.

17. Improvement in the speed of mails and increase of telecommunication

During the month meteorological reporting stations were opened at PISA, VERGGONO, SESTO CALENDE, VERCELLI, OMEGNA, AREZZO, PIOMBINO and MONTEFLASCONE. There are now 121 stations open, the target being 140 stations in ITALY and the Islands. British pilot balloons were supplied to the Air Ministry and to the Sardinian Meteorological Service for distribution. The rubber needed by Pirelli for the manufacture of these balloons has not yet been released and further efforts are being made to obtain supplies.

14. There was a decrease of about 2,000 in the total number of LAF personnel during January, chiefly owing to the partial discharge of the 1920 and 1921 classes. The average rate of pay for NCOs (aircrew) is 5,500 lire per month, for specialist NCOs 8,200 lire and for aircrews 1,400 lire. Flying pay has recently been increased from 900 to 3,000 lire per month. Serviceability of fighter aircraft was maintained at a high level, while the serviceability of the P.39s showed a big improvement. Further LAF vehicles were located in the MILAN and TURIN areas and release certificates obtained from No. 2 District.

15. A marked decline in the industrial position of aircraft firms was experienced during the month. The ban on all branches of aircraft construction was not lifted and efforts to bridge the interim period by the production of peacetime articles were in many cases abandoned for economic reasons. High production costs, reluctance of consumers to buy owing to lack of money and the expectation of a fall in prices combined to reduce sales to a minimum and no market was found to absorb the bicycles and light vehicles produced by Breda, Macchi, Caproni and S.I.A.I. Marchetti. All these firms were as a result forced to stand down workers, thus aggravating the unemployment situation. Efforts are still being made to find new channels into which surplus labour and machinery can be diverted, but many directors are convinced that only the permission to return to at least a limited programme of aircraft construction will solve the problem. Lack of coal compelled the Fiat works at TURIN to suspend 60,000 workers.

16. All the work in connection with the rehabilitation of the Cadet College at NAPLES was completed during the month, and candidates for the first course are being selected. Only 300 ex-Air Force prisoners of war were repatriated in January.

COMMUNICATIONS SUB-COMMISSION.

17. Improvement in the speed of mails and increase of telecommunication facilities continued during the month. There was a marked improvement in the Posts and Telecommunications Ministry, the employees of which showed a greater amount of energy and initiative than at any time since the Allied landings in SICILY. Two new departments were opened in the Ministry during the month, a Traffic and a Long Lines Department, the lack of both of which had been keenly felt. The Long Lines Department is charged with overall supervision of long distance telephone circuits, and it is hoped that in a comparatively short time all Allied Military long distance circuits will be operated entirely by Italians.

5113

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

18. Additional telephone circuits were released by the Allied Military for civilian use and international circuits to LUGANO and ST. MORITZ were added.

19. An air mail service, AMSTERDAM - BATAVIA via NAPLES, CAIRO and INDIA was instituted by the Dutch Air Lines, and air mail service to HUNGARY was commenced. During the month surface mails were instituted to AUSTRIA and DUTCH EAST INDIES; services to both these countries are limited to correspondence of a personal or non-transactional commercial nature.

EMERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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

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

ALLEN F. SMITH
Rear Admiral, USNR
Chief Commissioner

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

APPENDIX "A".

ITALY is one of the principal countries in EUROPE where a major and urgent refugee problem exists. This problem is one which, in order to be solved properly, must be treated internationally. Below is a detailed statement giving the present nationalities, numbers and locations of refugees in this country, together with short comments as to their prospects for the future.

a) (i) Refugees in Camps, Evacuation Centres, or other Organised Groups:

32,000

NB. This figure excludes 12,000 Croats in care of AFHQ and 100,000 Poles of Polcorps.

(ii) Scattered about in the country, but not under organized control:

Receiving assistance under UNRRA Charter:-	15,000
Not falling into this category (estimated):-	10/20,000.

b) The following figures and statements give a general picture regarding the refugee problem in ITALY.

(i) Poles:- 6,700 civilians

In addition to this figure there are over 100,000 Poles in Polcorps for whose future a solution will be required. About 14,000 Poles were repatriated to POLAND at the end of 1945.

The Poles in ITALY represent the officer class, landed and middle class, and the peasant agricultural class.

(ii) Yugoslavs:

Of these 1,829 are Serbs, 2,747 are Croats and 2,010 are Slovenes. In addition, there are 12,000 Croats, surrendered enemy personnel at EBOLI, near NAPLES, in the care of AFHQ. These twenty thousand odd Yugoslavs, augmented in spite of every effort to control the flow on the frontiers, are dissident to the present regime in YUGOSLAVIA. The majority of these Yugoslavs are professional and shopkeeping middle class, with a leavening of the landed class and richer peasants. There are no difficulties over the repatriation of such Yugoslavs who desire to return.

(iii) Jews:

It is difficult to estimate the exact number of Jews who have entered ITALY illegally since the conclusion of hostilities and whose intention is to reach PALESTINE. The following statistics are based on data provided by Camp Returns and Jewish Welfare Organizations.

In Camps	(UNRRA. Camps in the "Heel" of ITALY	6,500
	(CHELTON.	800
In "Kebussim" and other collective Jewish institutions		8/10,000
Living in cities under precarious conditions		4,000
	Total	19/21,000

Although most of these Jews claim to be "Palestinians" or "Stateless," the following table has been compiled from Camp Returns and is believe to be a relatively accurate picture of their nationality breakdown.

(ii) Scattered about in the country, but not under organized control:

Receiving assistance under UNRRA Charter:-	15,000
Not falling into this category (estimated):-	10/20,000.

b) The following figures and statements give a general picture regarding the refugee problem in ITALY.

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Although most of these Jews claim to be "Palestinians" or "Stateless," the following table has been compiled from Camp Returns and is believe to be a relatively accurate picture of their nationality breakdown.

Polish	75%	German	1%
Rumanian	7%	Baltics	5%
Czech	5%	Others (Russian,	
Hungarian	5%	Yugoslav, Greek,	
Austrian	2%	genuine Stateless)	4%

These Jews, who represent a part of those who escaped persecution in EUROPE under Nazi rule consist mostly of small tradesmen and shop-keepers. Jewish youth is being actively trained as agriculturists in

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

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the hope of future emigration to PALESTINE. A small percentage are professional men, but this class of Jew seems to find plenty of outlet for its activities in ITALY.

(iv) Various dissidents and unrepatriables living in Camps:-

Hungarians	400
Albanians	470
Rumanians	120
Baltics	300

(v) There are about 600 Italians accommodated in Allied National Camps. These are mostly persons who have lived outside ITALY and members of whose families have acquired or claim to have acquired the nationality of their country of previous pre-war residence.

(vi) "Turks," of which 400 are accommodated at AVERSA, are believed to be mostly dissident Caucasians, and, as such, Soviet citizens or Moslems from YUGOSLAVIA, who remained in that country after the break-up of the Ottoman Empire. Their claim to Turkish citizenship is at present being examined by the Turkish Consular authorities in ITALY.

(vii) Similarly, there are about 300 persons, called for convenience "of undetermined national status," in Camps and Reception Centres in ITALY. These are dissident Soviet citizens or "Stateless" Russians, who were holders of "Nansen" passports before the war.

(viii) A further 1,855 persons of many nationalities, race, religion and creed are under Allied care in ITALY. They are gradually being sorted out and repatriated, but it is estimated that about 20% of these will be unrepatriable.

(ix) Apart from the information given in sub-paras (i) and (viii) and as already mentioned, there are an estimated 10/20,000 Displaced Persons who are scattered throughout ITALY. Exact figures will only be known when the Italian authorities will be able to undertake the proper documentation of all foreigners in ITALY. However, it is thought that the following breakdown, compiled from data from Consular and other sources, gives a relatively true picture of Displaced Persons scattered throughout ITALY.

Jews			4,000
Yugoslavs	2,000	-	6,000
Poles	2,000	-	4,000
Soviet citizens	1,000	-	2,000
French, Belgians, Dutch and other minor Axis collaborators	500	-	2,000
Others	500	-	2,000

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

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

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

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

HEADQUARTERS ALLIED COMMISSION
APO 394

3 APR 1946

MONTHLY REPORT

DECEMBER - 1945

12 March 1946

REF: F24/EC

REGISTERED

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TO	Init.	Date
VP CA Sec		3/4
Public Safety		
Public Health		
Legal		5/4/46
Local Govt		
~~Patriots~~		
Diaper		4/4/46
Education		
MFA & A		
Ce Sec		

PLEASE PASS QUICKLY

ALLIED MILITARY GOVERNMENT
HEADQUARTERS

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

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 394

MONTHLY REPORT

DECEMBER - 1945

INDEX

		Page No.
	POLITICAL SUMMARY	1 - 1A
	SUMMARY OF AMG	1 - 1A
PART I -	REGIONAL REPORTS	2 - 5
	Liguria Region	6 - 14
	Lombardia Region	6
	Piemonte Region	7
	Venezie Region	8
	AMG Venezia Giulia XIII Corps	8 - 9
	AMG Naples Commune	9 - 10
	AMG Livorno Zone	10 - 11
	Apulia and South East Italy	11 - 12
	Sicily	12 - 13
	AC LC Bologna	13
PART II -	CIVIL AFFAIRS SECTION	13 - 14
	Epuration	15 - 17
	Local Government Sub-Commission	15
	Legal Sub-Commission	15
	Education Sub-Commission	15 - 16
	Public Health Sub-Commission	16
	Public Safety Sub-Commission	16
	Monuments, Fine Arts & Archives Sub-Commission	16 - 17
	Displaced Persons & Repatriation Sub-Commission	17
PART III -	ECONOMIC SECTION	17
	Food & Agriculture Sub-Commission	18 - 22
	Finance Sub-Commission	18
	Commerce (Foreign Trade) Sub-Commission	18 - 19
	Industry & Utilities Sub-Commission	19
	Labour Sub-Commission	19 - 20
	Transportation & Shipping Sub-Commission	20 - 21
	Requisition Branch	21
	Program Coordination Branch	21
		22

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

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DECEMBER - 1945

INDEX

		Page No.
	POLITICAL SUMMARY	1 - 1A
	SUMMARY OF AMG	2 - 5
PART I -	REGIONAL REPORTS	6 - 14
	Liguria Region	6
	Lombardia Region	7
	Piemonte Region	8
	Venezie Region	8 - 9
	AMG Venezia Giulia XIII Corps	9 - 10
	AMG Naples Commune	10 - 11
	AMG Livorno Zone	11 - 12
	Apulia and South East Italy	12 - 13
	Sicily	13
	AC LO Bologna	13 - 14
PART II -	CIVIL AFFAIRS SECTION	15 - 17
	Epuration	15
	Local Government Sub-Commission	15
	Legal Sub-Commission	15 - 16
	Education Sub-Commission	16
	Public Health Sub-Commission	16
	Public Safety Sub-Commission	16 - 17
	Monuments, Fine Arts & Archives Sub-Commission	17
	Displaced Persons & Repatriation Sub-Commission	17
PART III -	ECONOMIC SECTION	18 - 22
	Food & Agriculture Sub-Commission	18
	Finance Sub-Commission	18 - 19
	Commerce (Foreign Trade) Sub-Commission	19
	Industry & Utilities Sub-Commission	19 - 20
	Labour Sub-Commission	20 - 21
	Transportation & Shipping Sub-Commission	21
	Requisition Branch	21
	Program Coordination Branch	22
	Captured Enemy Materials Branch	22
PART IV -	PUBLIC RELATIONS BRANCH & INDEPENDENT SUB-COMMISSNS.	23 - 24
	Public Relations Branch	23
	Navy Sub-Commission	23
	Land Forces Sub-Commission(MMLA)	23
	IPCW Division	23 - 24
	Air Forces Sub-Commission	24
	Communications Sub-Commission	24

CONFIDENTIAL

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

POLITICAL SUMMARY.

1. During the first part of the month the political crisis still dominated thought in all Italian circles. On 6 December 1945 Sig. de GASPERI issued a communiqué to the press stating that he would undertake the task of forming a Government, and on the evening of 10 December he was able to announce the new Cabinet. Some difficulties with the Liberal Party were experienced at the beginning of the month, which had even led to a statement that the Government would be formed on a five, instead of on a six, party basis. However, in the end the Liberals decided that Sig. de GASPERI met with their approval, since he belonged to a party of the Right, and they expressed their willingness to serve under him. The new Cabinet showed very little change from the former Government; including the Prime Minister, fifteen of the nineteen Ministers served with Signor PARRI. It is noteworthy that, for the first time since 1860, the Italian Government is headed by a member of the Catholic Party, whose tact, skill and firmness at the crucial moment of the crisis have won high praise. The Socialists also seem to have gained, although the crisis was opened with the avowed intention of weakening the left-wing parties, and, also for the first time since 1860, a Socialist is Minister of the Interior. The Liberals do not seem to have won any of the points for which they precipitated the crisis for the Government has not broadened its base, it does not appear to have freed itself from the control of the Committee of National Liberation, and Signor de GASPERI has not specifically accepted their recommendations.

2. At noon on 12 December, on instructions from the Combined Chiefs of Staff through the Supreme Allied Commander, the President of the Council was informed that the remaining territory under Allied Military Government, including the islands of LAMPEDUSA, LEROSA and PANTELLERIA, but excluding VENEZIA GIULIA and the Province of UDINE, were to be returned to Italian administration on 31 December 1945. On 21 December Signor de GASPERI reported that he had on the previous day signed the transfer document. He then made an important declaration regarding the ALTO ADIGE, with which the imminent transfer of territory would now put the Italian Government in direct contact. He declared explicitly that the Government could not admit that the question of the frontier of a state of 45 million Italians could be decided by a small fraction inhabiting the province bordering on that frontier, although the Italian Government was ready to make all the concessions to local autonomies that a democratic State could make, and would be glad to resume diplomatic contacts with AUSTRIA, provided unacceptable preliminary conditions of a territorial nature were not laid down.

3. The most important item of news in foreign affairs was the publication of the communiqué of the three Foreign Ministers after the meeting in MOSCOW. The reaction to the communiqué in ITALY was extremely bitter, and the first comments in the press reflected a sense of frustration and disappointment; in fact, it developed into a regular campaign of "Justice for ITALY," and on 28 December the Council of Ministers announced that, after listening to the statement by the President of the Council on the international situation, it appealed to the solemn declaration of POTSDAM and expressed its firm expectation that ITALY's position as a cobelligerent would be adequately considered and rightly appraised in the forthcoming peace negotiations.

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

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4. The first Council meeting of the new Government was held on 13 December and it approved a draft decree for the use of the German language in administrative and judicial offices in BOLZANO Province. It was also decided to grant State employees a Christmas bonus of 3,000 lire. In the evening of the same day Signor de GASPERI made an important speech on the radio setting out the programme of his Government, in which he stated that all Italians felt that they must unite in a supreme effort to reconquer their territory, their independence, and their unity, and to re-affirm ITALY's individuality which was opposed to all nationalistic

5110

tendenci a and was open to cultural and economic exchanges. Although the goal of re gaining her position amongst the United Nations was still far off, the hand-over of the Northern Territories was a step forward, and all Italians hoped that the next step would be the abolition of the Armistice clauses and the beginning of a new era of free collaboration. He further said that the Italian Government would re-establish normal administrative machinery and abolish the provisional and extraordinary organs for coercion. As regards financial policy he mentioned the need of taking measures to defend the lira in such a way as to return to a normal price system and to a consequent stabilisation of the currency.

5. On 29 December the Italian Communist party opened its Fifth National Congress in ROME. Signor TOGLIATTI, the Communist leader, covered the whole of his party's programme in his opening speech, the chief points of which were that a Government which approved compulsory voting must take into consideration the fact that it would have to resign the next day because it could no longer count on Communist support, that ITALY needed peace for several generations and must therefore direct her foreign policy along the lines of the great democratic powers, that to take her place amongst the United Nations she must be assured of her economic independence at an early date, and that she must remain a homogeneous State since the Communists were opposed to federalism.

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

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

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

SUMMARY OF AMG.

1. At the close of December 1945, Allied Military Government, with the exception of VENEZIA GIULIA and the Province of UDINE, came to an end. Thus the first attempt at rehabilitating a conquered country under the direction of the Allies was also terminated.

2. Allied Military Government was planned at MOUZAREA and CHERA, NORTH AFRICA, in the early months of 1943. Its officers landed with the armies invading SICILY on 10 July 1943 and from that date to 31 December 1945 they were engaged in the difficult and often disappointing task of endeavouring to create order out of chaos, and economic stability out of devastation and ruin.

3. Moreover, the policy underlying the administration of military government underwent many changes. AMGOT in SICILY was planned for the occupation of an enemy territory. Throughout ITALY it has been based on the administration of the territory of a cobelligerent, to whom the responsibility for self-government was handed over in various stages. (In APULIA Allied Military Government never functioned at all). After the occupation of ROME and the establishment of the six party Government, it became advantageous to effect this handover more rapidly than before. ROME, for instance, was under AMG for a period of weeks only. Although the slow down in the advance of the Allies during the winter of 1944 kept regions under AMG longer than was perhaps politically or administratively desirable (at any rate in the eyes of the Italians) more and more was done to assimilate military government with the principles desired by the Italian Government.

4. More Italian courts were set up, and as the Italian Government established itself more firmly, more Italian legislation was made applicable to military government areas. In planning for the Northern Regions of LIGURIA, PIEMONTE, LOMBARDIA and VENEZIE, great stress was laid on the increased use of Italian local government and economic machinery and the necessity of administering with an even lighter hand and with increased regard for a rapid turnover to the Italian Government. That this was not effected made the task of Allied Military Government in the North even more difficult.

5. A letter from the Chief Commissioner to Regions in the North and the letter from the Italian Prime Minister which are printed below are adequate tribute to the great work done by officers of Allied Military Government in the twelve Regions into which ITALY was divided.

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5109

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

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

21 December 1945.

To the Regional Commissioners
of Northern Italy.

On 31 December the work of Allied Military Government in your Regions will come to an end. You and your predecessors and your staffs have achieved much. You have faced great difficulties. The long months of training were beset with shortage of personnel and transport, and were chequered with disappointments and delays. When the break came large areas fell to your administration in a matter of days and you were stretched to the limit to cover them. No sooner had you established Regional Administration than the demands of redeployment and release schemes reduced your staffs to a mere shadow.

You found a territory split by civil war, recently occupied by a defeated enemy, and abounding with arms. You were faced with political controversies which threatened to undermine the whole system of local government. You found great industries completely lacking raw material and coal with the consequent threat of widespread unemployment.

You have overcome these difficulties magnificently. Your numbers have invariably been insufficient. Your quality has never deteriorated.

You have maintained law and order, established good government and started economic rehabilitation.

You and all hands serving under you - officers and men - have done much for Allied interests, for the restoration of Italy, and for the cause of freedom and democracy. You may be proud of your work as I am proud to have commanded you. To all of you, whether you remain with the Commission or serve elsewhere, I send you my warm gratitude and wish you good fortune.

/s/ Ellery W. Stone.

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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

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Chief Commissioner

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

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

Translation.

The President of the Council of Ministers

10951.14/1.1.26.

Dear Admiral,

Since the greatest part of the national territory is now being handed back to Italian administration, it is a pleasure for me to tell you how deeply the Italian Government appreciates the work done by the Allied Military Government for over two years, throughmemorable events, against all kinds of difficulties and with unchanged feelings of sympathy towards our country.

Such feelings were always answered by those of the population, who considered the organisers of the Allied Military Government sincere collaborators of our reconstruction, while it welcomed the victorious soldiers of the United Nations as liberators.

I am happy to remind you that while the liberation war was raging, AMG had to cope with the worst difficulties; keep away the ghost of famine, bring relief to the refugees, prevent the spreading of epidemics, rehabilitate public services and private industry in devastated areas.

The way in which such difficulties were overcome with intelligent energy and abundant means will remain a vivid and grateful memory with the Italians.

I beg you, my dear Admiral, to express to the Allied Military Government the gratitude of the Italian Government and the Italian Nation, and I trust that the friendly attitude inspired by the action of the United Nations will be maintained and confirmed.

Believe me,

Sincerely yours,

/s/ De Gasperi.

Admiral Ellery W. Stone
Chief Commissioner,
Allied Commission,
Rome.

Since the greatest part of the national territory is now being handed back to Italian administration, it is a pleasure for me to tell you how deeply the Italian Government appreciates the work done by the Allied Military Government for over two years, throughmemorable events, against all kinds of difficulties and with unchanged feelings of sympathy towards our country.

Such feelings were always answered by those of the population, who considered the organisers of the Allied Military Government sincere collaborators of our reconstruction, while it welcomed the victorious soldiers of the United Nations as liberators.

I am happy to remind you that while the liberation war was raging, AMG had to cope with the worst difficulties; keep away the ghost of famine, bring relief to the refugees, prevent the spreading of epidemics, rehabilitate public services and private industry in devastated areas.

The way in which such difficulties were overcome with intelligent energy and abundant means will remain a vivid and grateful memory with the Italians.

I beg you, my dear Admiral, to express to the Allied Military Government the gratitude of the Italian Government and the Italian Nation, and I trust that the friendly attitude inspired by the action of the United Nations will be maintained and confirmed.

Believe me,

Sincerely yours,

/s/ De Gasperi.

Admiral Ellery W. Stone
Chief Commissioner,
Allied Commission,
Rome.

5108

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

11. Below is a list of the Regions in ITALY and the Islands administered by Allied Military Government from July 1943 to December 1945, together with a list of the Regional Commissioners.

Region.			Regional Commissioner.
Region I	-	SICILY	Col. C. POLETTI (A) relieved by Lt.Col. HANCOCK (B) relieved by Brig. M. CARR (B)
Region II	-	[illegible]	Lt.Col.G.H.McCAFFREY(A)relieved by Col. J. T. [illegible] (A)relieved by Col.J...G.PENNYCUICK(B)
Region III	-	NAPLES (afterwards Southern Region)	Col. C. POLETTI (A) relieved by Col. J.W.CHAPMAN(A) relieved by Col.C.C.TEMPERLY(B) relieved by Brig.J.K.DUNLOP (B)
Region IV	-	ROME	Col. C. POLETTI (A) relieved by Brig. M. CARR (B) relieved by Brig. J.K.DUNLOP(B)
Region V	-	APULIA (afterwards ABRUZZI-MOLISE Reg.)	Col.F.L.WHITLEY (A) relieved by Col.R.P.MARSHALL(A) relieved by Lt.Col.C.H.A.FRENCH (B)
Region VI	-	SARDINIA	Brig.J.K.DUNLOP (B) relieved by Brig.M. CARR (B) relieved by Col.J...C.PENNYCUICK (B)
Region VII	-	CALABRIA	Col.R.G.KIRKWOOD(A) relieved by Lt.Col.G.G.FRASEY (B)
Region VIII	-	TOSCANA	Lt.Col.A.C.BOWMAN(A) relieved by Col.R.G.KIRKWOOD (A)
Region IX	-	EMILIA	Lt.Col.A.C.BOWMAN(A) relieved by Col.F.E.THOMAS (A) relieved by Col.R.G.KIRKWOOD (A)
Region X	-	LIGURIA and PIEDMONTE (later divided)	Lt.Col.G.G.FRASEY(B) relieved by Brig. M. CARR (B) relieved by Col. J.C.SELBY (B)
		PIEDMONTE	Col.R.P.MARSHALL (A) relieved by Col.F.E.THOMAS (A) relieved by Lt.Col.E.R.McPHEE(A)
Region XI	-	LOMBARDIA.	Col.C. POLETTI (A) relieved by Col. ...N.HANCOCK (B)
Region XII	-	VENEZIE	Col.C.A.GEVERS (A) relieved by Col.T.N.PAGE (A) relieved by Brig.J.K.DUNLOP (B)

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

Region III	-	NAPLES (afterwards Southern Region)	Col. C. POLETTI (A) relieved by Col. J.W.CHAPMAN (A) relieved by Col.C.C.TEASDALE (B) relieved by Brig.J.K.DUNLOP (B)
Region IV	-	ROME	Col. C. POLETTI (A) relieved by Brig. M. CARR (B) relieved by Brig. J.K.DUNLOP (B)
Region V	-	AQUILA (afterwards ABRUZZI-MARCHE Reg.)	Col.F.L.WHITLEY (A) relieved by Col.R.P.MARSHALL (A) relieved by Lt.Col.C.H.A.FRENCH (B)
Region VI	-	SARDINIA	Brig.J.K.DUNLOP (B) relieved by Brig.M. CARR (B) relieved by Col.J.A.C.PENNYCUICK (B)
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A.M.G.	-	VENEZIA GIULIA	Col.A.C.BOWMAN (A)

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

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

PART I.

REGIONAL REPORTS.

AMG LIGURIA REGION.

1. The gradual transition from AMG to Italian control was made with much goodwill and a real appreciation of the efforts made by the Allied Governments. There was some regret expressed at the termination of AMG by those who feared a swing to the Left but, on the whole, there is now a real stimulant to the Italian officials and Italian people to have the responsibility for their own Government. It is believed that the CLN will be more active and aggressive. The preparation of election lists continued fairly well.

2. The food situation during the month was satisfactory although it was necessary to borrow 3,000 tons of flour from the Austrian reserve to cover the Christmas period. Distribution of flour was on a day to day basis, with SAVONA having one day's supply, IMPERIA nine days, LA SPEZIA three days, and GENOA four days. About 10% distribution was made of the stocks of clothing and other stores which have been held in the warehouses at GENOA for some time.

3. Steel production in the region amounted to 8,646 tons for December, an increase of 2,771 tons over November; the rationing of electricity prevented the production of an even larger tonnage. Cement production at the GENOA plant amounted to 5,291 tons; coal distribution seemed to be satisfactory and was sufficiently elastic to meet urgent demands of key industries. The amount of grain released was relatively small.

4. Wages remained constant, with the exception of industrial wages which have increased about 12% as a result of the ROME Conference held in November. Labour still remained a grave economic problem, with 40% to 50% of the population under employed, and about 35% of this number unemployed. Some unrest was caused by the efforts of AMG to compel the restoration to work of many men who were illegally suspended by irregular epuration. The problems which still remain unsolved of high prices, unemployment, wages inadequate to meet the cost of living, damaged buildings, winter with limited heating facilities and a flourishing black market have all combined to increase labour unrest. The housing situation improved a little as determined efforts were made by AMG to stimulate the local housing authorities to give empty accommodation to those whose shelter was inadequate.

5. The customs service is believed to be capable of operating with normal efficiency. A considerable backlog of incompleted and newly authorized projects gave promise of some employment during the winter months and the accomplishment of some useful buildings. The rationing of electricity and the danger of an acute shortage retarded industrial development and aggravated the hardships of the people. Economy in the use of power was not particularly successful since the saving of current was about 12% instead of the expected 25%.

6. No AMG Judicial Courts were held during the month, although 267 cases involving Allied interests were handed over to the Italian courts for disposition, of which 89 cases were disposed of satisfactorily.

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6. No AMG Judicial Courts were held during the month, although 267 cases involving Allied interests were handed over to the Italian courts for disposition, of which 89 cases were disposed of satisfactorily. The Carabinieri were up to full strength by the end of the month, with each man in possession of an overcoat, while the Guardia di Finanza worked well. However, armed hold ups occurred in isolated areas, and no appreciable reduction in crime is anticipated until better economic conditions are brought about.

7. Public health remained good, in spite of the cold weather and inadequate housing, and schools operated fairly satisfactorily. The railway from LA SPEZIA to PISA was opened during the month, and the lines to PARMA and GENOA are expected to be operating within a short time. All other main railway lines are in operation.

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

5107

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

AMG LOMBARDY REGION.

8. The political situation remained quiet and the handover produced no reaction, although it was obvious that the Right and non-political elements would have preferred AMG to have remained until the political elections. All branches of the Italian administration were reported as functioning satisfactorily at the end of the year.

9. 7,000 tons of cotton arrived from the U.S.A. and 89 tons of rayon were produced. The output of bicycle tyres, tubes and rubber articles was maintained at the usual rate, and a small scale production of automobile tyres was also started. The production of glass, chemicals and yeast was satisfactory.

10. Grain arrivals continued to be poor and it was only possible to maintain the bread ration by using AMG stocks. Italian officials were requested to maintain a strict watch over all bread shops, mills and pasta factories in order to try and ensure that black market traffic in bread and flour was eliminated. Wheat amassing by 29 December 1945 was 1,478,731 qtls., representing 89.94% of the Italian High Commissioner of Agriculture's estimate of 1,644,000 qtls., while rough rice amassed up to 15 December 1945 was 974,836 qtls., as against the estimated quantity of 3,373,720 qtls.

11. Apart from one or two minor controversies affecting comparatively few workpeople there were no disputes involving a stoppage of work. As anticipated the conferences which took place in ROME between representatives of employers and workers' organisations and the Italian Government resulted in a general wage agreement for Northern ITALY. A further conference was held in MILAN on 6 December to deal with outstanding points such as piecework rates; and the agreement was concluded and signed on that date. An agreement was also concluded providing for the payment of a contingency indemnity and improved conditions for agricultural workers.

12. A substantial number of public works projects for relief of unemployment were submitted and approved during the month. The use of electricity was curtailed still further for both domestic and industrial consumption.

13. No major incidents or civil disturbances occurred during the month. An improvement was visible in the clothing position for the police agencies and this naturally increased their morale and efficiency. There is, however, still a great need for clothes and warm underwear, particularly for the guards on the frontier. Whilst there has been an improvement in police efficiency, the several agencies still lack proper coordination to enable them to meet all contingencies and it is unfortunate that the Italian Authorities have shown little zeal or initiative in providing adequate training for the newly enrolled police and prison personnel.

14. During the month approximately 250 Italians were returned to BELGIUM, to commence work again in the various mining industries where they were employed prior to the war. 2,011 refugees of all nationalities passed through the various camps in the Region.

15. 1,032,793 tons were handled by rail during the month, and the weekly programmes submitted were in every case well-balanced.

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

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16. A MILAN - LONDON connection was opened on 7 December through SWITZERLAND. Government calls only are at present allowed as tariffs have yet to be agreed on. A civilian organization known as MARESPE has been organized to take over the maintenance of all Army overhead routes, since Army Signals personnel are being reduced drastically.

AMG PIEDMONTE REGIO

17. Throughout the Region the news of the formation of the new Italian Government created little political repercussion and the handover of AMG territory was, on the whole, received quietly. The Leftist parties appeared to be elated that it has at last taken place, although the parties on the Right fear that it might create an opportunity for the CLN to seize more power. It is thought that the majority of the people would have preferred AMG to remain until after the elections. Lack of civic responsibility on the part of the Italian local government officials was evident.

18. Distribution of rationed foodstuffs continued smoothly and prices remained practically unaltered, with the exception of meat, which decreased to between 200 and 400 lire per kilo. Grain harvesting continued slowly and failed to come up to expectations.

19. Shortage of raw materials seriously hampered industry throughout the Region and with the rationing of electricity this problem was aggravated. Commerce appeared to have come to a standstill in some provinces, due mainly to the undecided financial policy of the Government. It was reported that the allocation of POL for December was not sufficient for all requirements. Some strikes were reported, but these were only local and no trouble ensued. Shortages of raw materials, rationing of electricity, and the prevailing high prices all contributed towards a critical situation in the labour market. Savings and investments increased although in other financial fields there was little activity. The lack of confidence in AMG currency continued to be evident as the percentage of counterfeits increased.

20. Damage caused by floods in October was repaired and the TENDA railway tunnel was officially opened on 4 December. All AMG judicial cases were turned over to the Italian authorities; Italian courts functioned smoothly.

21. An improvement in the efficiency of the Carabinieri was reported and it is thought they are now capable of dealing with any but the most serious disorders. Their need for clothing and transport, however, is still acute. The training of Public Safety agents continued with satisfactory results and the energy displayed by the mobile battalions was far superior to that of other police bodies. The Guardia Finanza performed excellent work and in VERCELLI Province they reduced effectively the power of the Black Market. Crimes of a serious nature were fewer than usual, especially in TURIN Province, although public morale did not remain very high.

22. Public health throughout the Region was good. 303 Italians passed through the refugee camps during the month, eight of whom were ex-P.W., and 174 Allied and other nationals.

AMG VENEZIA REGION.

23. The news of the closing of AMG in the North was accepted calmly in the VENETO, and the general feeling seemed to be that, with the New Year, the Italians ought to be prepared to shoulder their responsibilities. In BOLZANO, however, the German-speaking population clearly expressed their regret that AMG was ending. No great change took place in the relative position of the Parties except that the Christian Democrats definitely emerged from the crisis with added prestige. The announcement of the

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

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5106

24. 101 Superior Court cases and 105 Summary Court cases were held in the Region. The work of the Italian Ordinary and Extraordinary Courts and of Committee of Epuration proceeded normally.

25. The public safety situation did not deteriorate seriously during the month. The Italian police agencies maintained their improvement and their morale was good and was reflected in the increasing confidence with which

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

they carried out their duties. There is still, however, a shortage of arms and equipment, especially in UDINE Province. Serious crime showed a regrettable increase, particularly as regards murders and armed robberies. Most of the cases were of a non-political nature, and the political situation gave no cause for disquiet.

26. A Provincial Decree was issued in BOLZANO at the end of the month, establishing secondary German schools.

27. The industry of the Region continued to develop during the month and the import of raw cotton allowed several mills to open up production. 60,000 tons of coal arrived during the month of December, 15,000 tons of which were allocated to the important firm of Vetrocoke at PORTO MARGHERA. The glass ovens of this plant turned out 13,000 square metres of glass daily. A rationing scheme of electricity, owing to the serious threat of drastic reduction, was set in operation with fair success.

28. The food situation by the end of the year was serious and it appeared likely that by mid-January, local supplies of grain would be exhausted. The planned arrivals of grain ships appeared sufficient to meet the emergency but, in fact, the first ship to arrive did not commence discharging till the end of the year, and the margin of safety was too small for comfort.

29. Additional captured enemy funds recovered in December 1945 totalled Lire 73,111,994. This brought the total of enemy funds recovered by the Region to Lire 10,599,223.

30. During the time AMG VENEZIE Region was operating 2,243 non-military and 98 military public works were approved at a cost of 2,562,076,363 Lire and 274,400,065 Lire respectively.

AMG VENEZIA GIULIA.

31. December was a comparatively quiet month politically, and apart from the exaggerated interest which was centred on the suspension of the Slovene-Communist paper "Primorski Dnevnik" (suspended on 5 December for the failure of the editor to retract inaccurate and abusive criticisms of AMG's education policy) little of note occurred. Generally it is felt that the workers are becoming more out of sympathy with the pro-Yugoslav Communists, and with a gradual realisation that the strikes always end on a political note, support is noticeably less each time. It seems certain that when the civil police force is strong enough in all areas to guarantee the workers complete freedom from intimidation strike organisers will have little success. During the month active steps were taken to implement General Order Number 11 in all areas and communes are now either functioning in accordance with the terms of the order or are under direct C&G rule.

32. The VENEZIA GIULIA Police Force, now 1,950 strong, continued its satisfactory progress. In spite of their very limited period of training the civil policemen are showing an aptitude for police work and have earned the respect of the public. But for a few exceptions the month passed quietly as far as law and order was concerned, although prisons in the area were still very full.

33. The supply [illegible] which included the increased food ration

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

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33. The supplies programme, which included the increased food ration for POLA and the special two months reserve, was approved by CCS. Three commissions were appointed to control and endeavour to equalise prices. Rations on the normal A.C. scale were issued to the population and special Christmas issues were made to the very needy. Difficulty was experienced in preventing food from being taken illegally into Zone "B" and YUGOSLAVIA, where it is sold at a high price.

34. 16,561 tons were imported during the month and 17,755 tons exported, while 27,145 tons were hauled by road. Supplies for forestry and fisheries were delivered, and with seed and fertiliser requirements arriving in increasing quantities the whole agricultural position has very much improved. The total amount of wheat harvested was 12,800 quintals.

35. An extension was requested of the recent temporary wage adjustment until the position could be stabilised and it was agreed to extend it until the end of January. 28,437 were unemployed during December as compared with 25,536 in November. This decrease was largely due to requests for extra help over the holiday season. The cost of living rose to 40,527 lire a month.

36. 1,600 tons of coal, 12,160 litres of petrol, 27,975 litres of kerosene and 22,425 litres of gasoil were allocated to industries, although many raw materials were in short supply. Owing to the drought only a restricted import of electric power into VENEZIA GIULIA was possible during the month but due to the special politic l and economic situation there it was considered undesirable to cut off power from industrial commercial and private houses for two or three days a week. Therefore a modified rationing scheme was introduced aiming at a reduction of import of about 30%. Cotton arrived in reasonble quantities and an allocation of 166 quintals of hemp per quarter was secured. It was expected that 12,500 tons of firewood would arrive from UDINE for November and December, but 6,098 tons only were received; 5,830 tons are at present held in TRIESTE. 15,536 tons of coal were distributed out of the 20,913 tons received during December. Supplies of raw materials for public works projects became available in increasing quantities and greater progress in many repair schemes was made.

37. The health of the people in the area was excellent although sporadic cases of infectious diseases occurred. 50,000 blankets were received for distribution to the poor and sick. 1,126 displaced persons passed through the area during the month, 253 being ex-Ps.W.

38. During the month 294 accused were tried on 335 charges in the Summary Courts while 12 persons were accused on 16 charges in the Superior Courts. All ordinary civil courts functioned satisfactorily.

39. The new elementary school programmes for Italian schools were distributed free to all elementary school teachers of the three areas; it is hoped to distribute the Slavic programme early in January. There were three strikes by students in TRIESTE and GORIZIA, partly against the lack of heating and partly against the suspension of the "Primorski Dnevnik"; coal, wood and gas were immediately made available and by January all schools will have adequate supplies. The School Section of the PNOO (Slavic National Liberation Committee) continued to issue directives in contrast to AMG's education policy.

40. Efforts were made to increase AMG publicity in the local press and over the radio; payments were begun to next of kin of patriots and to wounded partisans. Up to the end of the year approximately 500 claims were received, and payments amounted in all to 920,000 lire.

AMG NAPLES COMBINE.

41. NAPLES had its usual numerous political meetings during the month, the most important being that held by the Republican Party at the SAN CARLO Opera House at which the Monarchy was blamed for the lack of attention to

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

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40. Efforts were made to increase AMG publicity in the local press and over the radio; payments were begun to next of kin of patriots and to wounded partisans. Up to the end of the year approximately 500 claims were received, and payments amounted in all to 920,000 lire.

AMG MATTERS GENERAL.

41. NAFFIS had its usual numerous political meetings during the month, the most important being that held by the Republican Party at the SAN CARLO Opera House at which the Monarchy was blamed for the lack of attention to ITALY at MOSCOW. All meetings were orderly. Regrets were expressed openly at the closing down of AMG before a stable elected Government was in being. Progress with preparations for the election went forward steadily. Cost of living and prices did not rise as much as had been expected, the first "peace" Christmas brought some cheerfulness and on the whole morale was good.

42. The grain position was not satisfactory, and the Province of COSENZA had enough grain to produce the ration until 3 January only. The remainder of the provinces have sufficient until mid-January, although no case has yet been reported of the failure of the bread ration. Distribution of grain and flour was slow. All provinces reported difficulties over the olive oil rationing owing to a poor crop.

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

5103

43. There was little labour unrest. Three stoppages of work were reported, but none of them was important. Over 100,000 people are reported as being unemployed, but although Peninsular Base Section have reduced Italian labour by 30,000, other reductions by the Allies have not had a great effect as yet. The cost of living since the rather unaccountable rise of over 50% in April and May last dropped back in June and the year ended with comparatively little rise over the figures at the close of 1944 in spite of the notable increase in salaries. Increased wages are sanctioned by Italian Government decrees, but the resultant large budgets are often rejected or delayed. As a result normal municipal functions such as street cleaning and the removal of refuse are left undone.

44. A project for bringing water from the wells near SOLLA (north east of NAPLES) and for the enlargement of the NAPLES reservoirs was prepared. It will be comparatively inexpensive and provide much needed employment. Clearance of bomb damage continued at a somewhat slow rate. Trouble was experienced with one of the generators of the SILA hydro-electric station and the shortage of power caused anxiety.

45. Italian courts continued to function satisfactorily. Crime with violence increased and bands of well armed criminals held up trains and committed armed robberies over a wide area. Two police drives were carried out in the AVERSA and NOCERA areas. Both had a good effect on morale and the latter yielded a fair haul of weapons. The Carabinieri and other police forces, handicapped by lack of numbers, maintained a satisfactory record. Eight vehicles were obtained to form mobile guards.

46. A serious explosion of Italian Government explosive destined for SARDINIA took place near AVERSA on the night of 30 November - 1 December. Four people were killed and twenty-seven injured.

47. There were eleven cases of smallpox in NAPLES City as against twenty-six in November and sixteen in October. One case of typhus occurred in an Italian POW repatriated from RUSSIA. Disinfection measures were taken and no other cases have been reported. There is a shortage of hospital beds in NAPLES, only about 4,500 being now available.

48. UNRRA food distributed through schools to children reached a notable scale. Civil supplies shipped in to NAPLES port were few, although grain shipments increased.

MID LIVORNO ZONE

49. The fall of the Parri Government and the taking over by the De Gasperi Cabinet had no visible repercussions in TOSCANA. There were no public disorders or unauthorised meetings during the month in LIVORNO and there was a general feeling among the people that the elections might take place sooner as a result of the change of Government.

50. The food situation remained unchanged although there were rumours that little or no flour was available. Industry and the smaller businesses became more active daily and started to give employment to a few people. Unemployment, however, was still widespread but there were no labour troubles or strikes.

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

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51. More electric energy was needed as circuits in operation were overloaded. A plan was made during the month to allocate the maximum amount of power to military installations and essential business firms, and at the same time to prevent the useless consumption by many hundreds of other consumers who do not actually need it. High winds had destroyed many vital feeder lines from the North which had to be repaired. Rivers were abnormally low and energy could not be produced to any satisfactory degree. It is hoped, however, that the situation will improve when the lines are repaired and rain causes the rivers to rise. The supply of water was low for several days owing to a break in a large line when a bridge collapsed.

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

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

52. The crime wave still persisted although reserves of Carabinieri and Public Safety agents arrived to assist the local police in their efforts to fight it. In one month guards shot 22 thieves and killed 7, while scores were arrested every week. Many bands of thieves were caught and much loot recovered. However, it became obvious that the Italian judicial system had failed completely to cope with the problem and that criminals had no fear of action being taken against them through Italian channels. AMG Courts were therefore re-established on 10 December, with the cooperation of PBS, and 59 cases were tried by the end of the month. The Court was a great success and increased the morale of the military and civilian police forces. There was some public disorder in FLORENCE when a fight occurred between civilians and units of the FOLGORE Division called in by the Italian Local Government authorities, when the unemployed staged a demonstration and parade demanding jobs and food. The Carabinieri and Public Safety agents broke up both successfully.

53. There were still some cases of typhoid, but not to any great extent. The CLN continued to handle refugees in transit through the area; 24,877 passed through the camps during the month.

PUGLIA and South East ITALY (as reported by AMG BARI)

54. The population as a whole appeared impatient at the prevailing unrest and disorder, the slowness of rehabilitation and apparent lack of planning. While they did not appear to desire another dictatorship they inclined in the large majority to the Right, and in BARI Province particularly to the Uomo Qualunque Party. The functioning of the Giunte Comunali left much to be desired due to the lack of agreement between its members and their apparent unsuitability for their task. There was a marked improvement in the preparation of the electoral lists.

55. The unloading of 6,883 tons of grain was nearly completed. Including this amount, there will be sufficient grain to supply six provinces until the end of January. Prices for food continued to rise, although the cost of clothing appeared to drop. The economic situation remained critical owing to shortage of raw materials and transport, and electric power and light was reduced in APULIA owing to repairs being carried out at sub-stations and on cable lines.

56. Grave discontent was shown by all civil servants owing to the high cost of living and at Christmas time they went out on strike for seven days. The workers of the salt monopoly in MARGHERITA DI SAVOIA (FOGGIA Province) also struck for the same reason, and an increase of 30% on their wages was granted. There are at present 91,000 unemployed; this number is being swelled daily due to workers being dismissed by the Allied Military authorities. Public works schemes were inaugurated in all provinces and large subsidies have been granted for them.

57. Public Safety still gave ground for concern and the Carabinieri and Public Safety agents were insufficiently mobile for their task. The crime wave in BARI City reached grave proportions and a curfew is being enforced. Pilfering of Allied foodstuffs imported for civilian consumption and raiding of warehouses reached such proportions in BARI Province that special measures were planned to protect the supplies.

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58. The general state of health was satisfactory; one further case of plague (not fatal) was reported from TARANTO and thirty cases of smallpox in BARI. School buildings in all provinces, with the exception of BARI, have now been derequisitioned. 576 refugees passed through the area during the month.

59. Docks clearance by road transport proceeded satisfactorily and there was considerable traffic of salt from MARGHERITA DI SAVOIA to many ports of ITALY. The present operation of the monopoly, however, is far from satisfactory and many instances occurred in which it failed to load wagons

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

as programmed. Rail wagon availability continued to be poor due to increased military requirements although traffic did not exceed that of the previous month. 65,587 tons were moved by rail out of 82,677 tons programmed, and 11,832 tons were exported by sea.

SICILY.

60. The news of the handover of all the AMG areas to the Italian Government, including the islands of PANTELLERIA and LAMPEDUSA, came as a surprise to the people and was received with mixed feelings, as the islanders were afraid they would not get fair treatment from the Italian Government. There seemed to be a decline in the popularity of the Left parties, especially amongst the Communists. Electoral lists have finally been returned to PANTELLERIA and the lists from LAMPEDUSA have been approved and sent back to the Commune.

61. The food situation in SICILY remained unchanged; there was sufficient grain to last until 26 January. Much grain was wasted through being left uncovered in the rain, and being transported in open trucks. The islands of LAMPEDUSA was practically without food during the Christmas period. Clothing and shoes appeared in the shops in much greater quantities and at lower prices than a few months ago.

62. Unemployment at the middle of December was about 10,600; the expansion of the public works programme provided employment for more people and repairs began to be made to the roads. The shipbuilding yards at PALERMO were handed over to the Italians on 14 December 1945; it is hoped that the 1,000 workmen employed there will be absorbed by the new company operating the shipyard.

63. The electric power and water situation were satisfactory as there was heavy rainfall. Owing to lack of coal several loaded trains had to remain in the dockyards, but a coal boat is expected in the very near future when it is hoped the situation will improve.

64. Crime was not so widespread, although the organised gangs became more daring. Two Carabinieri barracks were attacked by them, and about Christmas a battle was fought between the Carabinieri and an armed gang, many of whose members belonged to the EVIS (Army of the Separatist movement). The Carabinieri were forced to use mortars to dislodge their opponents.

65. The clandestine departure of Jews from SICILY to PALESTINE was investigated, it is thought they must have received help in their journey from BARI to SICILY and thence to SYRACUSE as there seems to be no trace of any of them experiencing any difficulties en route.

66. The SS LAMPEDUSA, which was due to start its trips to PANTELLERIA and LAMPEDUSA on 26 December was unable to do so, owing to lack of coal. 980 tyres for SICILY arrived during the month and consequently the transport situation has improved. The two islands were handed over to the Italian Government on 31 December 1945, although there were no means of communication between them and SICILY for days owing to bad weather.

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

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AC LO POLONIA.

67. Meetings of all political parties on all kinds of subjects continued to be as numerous as ever. The Left parties were the best organised but it appears that there is a large section of the public who are at present completely undecided in their political views. Provincial administration suffered owing to the inexperience in public affairs of some Prefects and many Sindaci, while political views and considerations overrode all ideas of responsibility towards the public. Work on the electoral lists continued and progress was satisfactory.

68. The food situation varied in each province, and the movement of grain northwards will necessit te imports for POLONIA Province within a month. Milk and sugar were in short supply, especially in the towns. Industries

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

continued to be hampered by lack of raw materials and damaged premises, and a further serious set back was the reduction in the number of permits during the next licensing period for petrol driven vehicles. Dispute, which was fostered by the Communist party, continued over the system of the middle man being involved in every agricultural transaction, and owners and their agents were continually threatened.

69. All provinces reported increases in the number of unemployed. Most communes showed a deficit in their budgets although bank deposits remained substantial. Repairs to bridges, roads, and railways continued slowly as lack of raw materials, especially iron and cement, hindered operations. Shortage of electricity due to lack of rain caused considerable trouble in both factories and private homes, and all provinces were forced to curtail the domestic supply.

70. Italian justice functioned slowly and inefficiently, but the Extraordinary Courts of Assize worked well and reasonably. Some death sentences were carried out. There was no improvement in the public safety situation and armed robberies and murders continued in every province, while the percentage of illegally carried arms remained alarming. On 11 December a gang of some sixty men held up a village for some five hours and looted the bank, post office, shops and private houses. Clothing and equipment for the Carabinieri has begun to arrive, but the Questori were helpless in the face of the general dearth of trained personnel, complete unreliability of their staffs and the presence of an overwhelming number of Partisan police agents. The prison situation was unsatisfactory and one break was reported at FORLI.

71. Public health remained good and UNRRA medical supplies began to arrive. Progress was made in clearing and dredging the port of RAVENNA and rail communications generally improved.

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

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5103

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

PART II

CIVIL AFFAIRS SECTION

Epuration.

1. It was learnt that the office of the High Commission for Epuration is in the process of being abolished and the epuration of grades 1 to 7 handed over to the various Ministries; this will leave very little authority with the High Commissioner. It has been decided that out of a total of 4,984 persons belonging to the first five grades 393 will be subject to epuration.

LOCAL GOVERNMENT SUBCOMMISSION.

2. A copy of the revised draft decree concerning local elections was transmitted by the Italian Government to the Allied Commission at the end of the month.

3. The figures given below indicate the position as regards the electoral lists as at 14 December 1945. In Italian Government territory preparation commenced on 1 February 1945 and in Military Government territory on 15 July 1945.

a) Italian Government territory

Total nr. of communes.....3565
Nr. of communes whose male lists have been approved 870 = 24%
Nr. of communes whose female lists have been approved 1044 = 29%
The corresponding figures for lists approved in November were 593 male and 704 female, or 17% and 20% respectively.

b) Military Government territory

Total nr. of communes..... 3633
Nr. of communes whose male lists have been approved 28 = 1%
Nr. of communes whose female lists have been approved 72 = 2%
The corresponding figures for lists approved in November were 1 male and 1 female only.

The system of reference to the Judicial Records Offices remained the principal handicap to progress in the preparation of these lists. The Italian Government has decided to dispense with the proposed registration of Italian nationals resident outside ITALY, who intended to come to ITALY to vote.

4. Registration of voters in BOLZANO commenced on 13 November and on 21 December a directive was issued by the Allied Commission clarifying the citizenship problem created by the Italo-German Accords of 1939. This directive ruled that all citizens should be registered who were prima facie qualified according to existing Italian law, with the proviso that any doubtful cases could be examined by a special Commission which could direct cancellation from the register if necessary. Owing to the above complications eight communes only out of the total of 92 have compiled their male and female election lists and none of these has so far been approved.

5. The Allied Commission has formally approved the 25 names submitted by the Italian authorities for the new Council of the VAL D'AOSTA.

LEGAL SUBCOMMISSION.

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

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LEGAL SUBCOMMISSION.

6. In VENEZIA GIULIA 294 persons were tried in AMG Courts during the month. There were only 3 cases for possession of arms; nearly half of the other cases tried were for theft and possession of Allied property. In LIGURIA all cases involving Allied interests were tried in Italian Courts. Extraordinary Courts of Assize in VENEZIA GIULIA held seven public trials during December resulting in 4 convictions and 3 acquittals. 350 cases were still pending on 31 December.

7. Proclamations covering the handover of territory to the Italian Government were prepared.

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

8. The most important issue on constitutional law which arose as a result of the resumption of power by the Italian Courts was the question of the right to commute Death Sentences which was formerly invested in the Sovereign. After lengthy discussions it was decided to hand over to the Lieutenant General of the Realm all the pending petitions for mercy.

EDUCATION SUBCOMMISSION.

9. Educational jurisdiction was transferred to the Minister of Public Instruction in all regions with the exception of VENEZIE and VENEZIA GIULIA.

10. A successful experiment was carried out whereby teachers formed into groups to discuss certain problems on which the Italian Ministry of Education desired advice. After a discussion one representative was elected out of each group to the next higher level, where the process was repeated, until the pyramid of small groups reached the Minister. The potentialities of such an organisation are very great and it is hoped to make the scheme nation-wide.

11. The Union of Naturalists in ROME studied the re-organisation of secondary schools' science curricula and requested the Allied Commission for information in this field from the UNITED STATES and GREAT BRITAIN. Arrangements were initiated for admitting University students from the Polish Army in ITALY to Italian universities. The course in democratic citizenship, organised for Italian officers and non-commissioned officers, was successful and well received.

12. Schools continued to be requisitioned in VENEZIA GIULIA and the position was critical, while the School of Engineering in TRIESTE University will be forced to close unless the Army derequisition the wing occupied by them. No outstanding difficulties were encountered in VENEZIA GIULIA as far as education was concerned; for details see page 9 (AMG VENEZIA GIULIA report).

13. A survey of the proportion of children in ITALY who complete various amounts of schooling has been finished. It was found that 58% of Italian children do not get more than three years of elementary education (ages 6 to 9); 83% get five years or less of schooling (normal ages 6 to 11); only 12% get lower secondary school training (ages 11 to 14) and about 5% complete secondary school education.

PUBLIC HEALTH SUBCOMMISSION.

14. The Italian Red Cross, assumed responsibility for the MERANO Hospital Command on 15 December. During November 1,116 patients arrived from RUSSIA; they were all in poor health and had received no medical attention en route. Work proceeded in the organisation of SONDALO Sanatorium for the reception of tubercular cases from MERANO and much equipment was obtained.

15. No futher cases of plague were reported from TARANTO; one case occurred in REGGIO CALABRIA in a seaman who had just returned from that town. Three cases of typhus occurred in repatriates, two of whom had returned from RUSSIA and one from JUGOSLAVIA. The incidence of smallpox showed a marked decrease during the month. Only 36 hibernating mosquitoes were found in the TIBER Delta area in December. The November infant mortality rate in ROME Comune was 69.04 per 1,000 as compared with 66.5 in October; deaths from all forms of tuberculosis in ROME numbered 180 in November as compared with 196 in October.

PUBLIC SAFETY SUBCOMMISSION.

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

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PUBLIC SAFETY SUBCOMMISSION.

16. The morale and efficiency of Italian police agencies continued to improve. The supplying of clothing, arms, and transport, while not yet satisfactory, continued at a reasonably steady rate. There was no substantial change in the crime situation, except an increase in organised gangs in Southern ITALY. A slight decrease in crime was reported from SICILY for the first time for several months. Armed robberies and holdups constituted the majority of reported crimes although those which caused the greatest concern were attacks in force on goods trains, warehouses, police stations and villages.

5102

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

17. A few minor strikes and demonstrations occurred throughout the country but none were of a serious nature. Raids for the recovery of arms decreased during the month due to greater difficulty in locating arms and to the decrease in M.P. personnel.

18. The augmentation and construction of the VENEZIA GIULIA Police Force continued its satisfactory progress and the policeman worked quietly and competently.

19. The prison situation was unchanged, with overcrowding still the major problem. There is a serious shortage of competent prison directors, and several attempted prison breaks and riots occurred during the month, although in every case they were quickly controlled. As the year closed the internal security situation was generally quiet but unchanged.

- 4 -

MONUMENTS FINE ARTS AND ARCHIVES SUBCOMMISSION.

20. An investigation was started regarding the reported removal of books from a library in PERUGIA and similar enquiries were initiated in connection with the allegedly irregular requisitioning of the Palazzo del Podesta' at NOVARA.

21. A full report was issued to Military Government authorities in AUSTRIA and GERMANY on all known illegal and questionable exports of works of art during the years immediately preceding the Armistice of 1943. An important change of policy was effected whereby the responsibility for entering claims of restitution lies with the Government of the nation from which the works of art were illegally removed. During December the Sub-commission's report was completed; it is hoped that this report, a comprehensive detailed of the present state of every monument in ITALY, may prove to be a reference document of considerable value.

DISPLACED PERSONS AND REPATRIATION SUBCOMMISSION.

22. It is hoped that UNRRA will take over as many Displaced Persons camps as possible during January.

23. The flow of Italians repatriated from the north remain considerably decreased, only 5,528 being received against the 20,433 in November. Of these 2,426 came through the BRENNER Pass and SWITZERLAND. As at 31 December a total of 946,598 Italians had been returned to their homes; 761,433 being repatriated from EUROPE since the occupation of GERMANY.

24. December was relatively quiet from the repatriation point of view. 4,500 Italian miners who lived in BELGIUM before the war were authorised to return to that country, and movement commenced at weekly intervals at the end of December. A further 437 children were accepted by THEBOLITANIA and are expected to leave ITALY in the middle of January. 1,149 Polish refugees were repatriated to POLAND; the illegal entry of non-Italian Jews into ITALY continued, although in fewer numbers The flow of Italian families from TUNISIA was regulated as the result of an agreement between the Governments concerned. 400 persons, with means of support in ITALY will be shipped over in the second half of January while the remainder will stay in TUNISIA until the Spring.

25. The first handover of a DPRSC Medical Establishment to UNRRA was effected on 21 December. Cases of infectious diseases notified during the month were chiefly confined to children, with 4 cases of measles, 3 of diptheria, 3 of scarlet fever and 2 of typhus being reported.

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

20. An investigation was started regarding the reported removal of books from a library in PERUGIA and similar enquiries were initiated in connection with the allegedly irregular requisitioning of the Palazzo del Podesta' at NOVARA.

21. A full report was issued to Military Government authorities in AUSTRIA and GERMANY on all known illegal and questionable exports of works of art during the years immediately preceding the Armistice of 1943. An important change of policy was effected whereby the responsibility for entering claims of restitution lies with the Government of the nation from which the works of art were illegally removed. During December the Sub-commission's report was completed; it is hoped that this report, a comprehensive detailed of the present state of every monument in ITALY, may prove to be a reference document of considerable value.

DISPLACED PERSONS AND REPATRIATION SUBCOMMISSION.

22. It is hoped that UNRRA will take over as many Displaced Persons camps as possible during January.

23. The flow of Italians repatriated from the north again considerably decreased, only 5,528 being received against the 20,433 in November. Of these 2,426 came through the BRENNER Pass and SWITZERLAND. As at 31 December a total of 946,598 Italians had been returned to their homes; 761,433 being repatriated from EUROPE since the occupation of GERMANY.

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

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

PART III

ECONOMIC SECTION

FOOD AND AGRICULTURE SUBCOMMISSION

1. The cereal position remained critical throughout December. Deficient areas were maintained on a virtually day to day basis by the transfer of indigenous grain from provinces which in some cases did not actually have a surplus over their annual needs, and by direct movement of imported grain from the docks. During the month 105,555 tons of wheat were discharged at Italian ports. Shortfalls on the import programme for 1945 amounting to approximately 340,000 tons accounted in part for the extremely low level of stocks in urban and other areas.

2. The bread ration was maintained satisfactorily but the pasta ration had to be suspended in December in a number of areas. Increased quantities of rice were substituted for pasta in Northern ITALY.

3. The distribution of the fats and oil ration for November was completed but few provinces received their full issue for December. Of the 14,500 tons of oil programmed to be shipped in the period 1 September to 31 December 1945 less than 3000 tons had arrived by the end of December. Every effort was made during the month to transfer from the South to Northern ITALY as much olive oil as possible but the quantity actually moved fell below expectations.

4. Stocks of all imported commodities other than wheat and fats were satisfactory. Movements of salt and wine by rail to Northern ITALY more than doubled in December as compared with November.

5. At the end of December 967,162 metric tons of wheat had been delivered to the "Granai del Popolo", of which 573,324 tons were collected in Northern ITALY and 402,838 tons south of the APENNINES. Collections of barley, rye and corn added 60,049 tons. Rough rice collections through December totalled 156,047 metric tons which corresponds to 121,717 tons in wheat equivalent.

6. The olive oil harvest continued with rather unfavorable results, and deliveries to the "Ghezari del Popolo" were adversely affected by publication of the 1945-46 amassing decree. This decree provides for the delivery of only 60 per cent of the average quantity amassed during the period 1940-43 and was meant to apply only to crops planted in 1945 and harvested in 1946. However, the wording of the decree had led olive oil producers to believe that it was applicable to the present harvest.

7. The 1946 sugar beet crop is estimated to yield 220,000 tons of sugar and 70,000 tons of molasses. The earliest date at which any of this sugar will become available to consumers is 1 December 1946. Pulpwood production during December exceeded expectations.

8. Formal approval, in agreement with the Italian Government, was given to the proposed UNRRA program of food and agriculture imports for the first half of 1946.

FINANCE SUBCOMMISSION.

9. With effect from 31 December 1945 Finance Subcommission had no further

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8. Formal approval, in agreement with the Italian Government, was given to the proposed UNRRA program of food and agriculture imports for the first half of 1946.

FINANCE SUBCOMMISSION.

9. With effect from 31 December 1945 Finance Subcommission had no further operating functions regarding the financial administration of Italian Government territory.

10. The consideration by the Italian Government of the proposed currency agreement was of course interrupted by the Government crisis. The Italian Government was only just beginning to consider the agreement on a high level when the crisis occurred; the new Minister of the TREASURY, Prof. CORBINO, did not take office until 10 December, and he was immediately confronted with a number of urgent financial problems, including an increase in pay to Italian STATE employees and, in addition, the payment of a Christmas bonus to such employees. However, he indicates at the outset that he was anxious to deal with the proposed currency agreement as soon as possible.

5101

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

11. Finance Sub-Commission was advised by AFHQ that upon the cashing by U.S. ARMY Disbursing Officers of military payment orders held by returning Italian ex-POW, the amount of dollars to the credit of the Italian Government in the net troop expenditure account is increased, and that amounts so credited are notified to the Italian Embassy in WASHINGTON by the U.S. Department of STATE.

COMMERCE (FOREIGN TRADE) SUB-COMMISSION.

12. Owing to the Government crisis, very little was done to advance the project for the reestablishment of private trade between ITALY and other countries. On the Allied side it was arranged that all shipping orders should be channelled through ICE (Institute for Foreign Trade) to the Ministry of Marine, for programming and onward transmission to UMA (United Maritime Authority). This will prepare the Italian Government for their additional duties when private trade is reintroduce

13. At a meeting on 31 December 1945 between members of the Allied Commissio and the Italian Government it was revealed that in order to stimulate export trade the Italian Government had decided to overprice imports and grant a premium on exports (at a standard co-efficient in each case). It is intended that this "conguaglio" shall be 125% and will be applied equally to all private imports and exports, except private compensations. By means of this "conguaglio", when applied to exports, exporters will be able to quote prices bearing a close relation to world prices. It was also stated that the Italian Customs Service are fully organised in the matter of personnel but report that in no single port do they have customs control over all quays.

14. Progress was made during the month with the various pending trade agreements between ITALY and other European countries. While awaiting the final list of Italian goods proposed for export to BELGIUM, application has been made to WASHINGTON for allocation of RCL (Reserved Commodity List) items definitely decided upon and all but one of these items have now been approved. The Ministry of Foreign Affairs has been informed that there is no objection in principle to the general terms of the Italo-Spanish agreement, as they have so far been reported. Application has been made for allocation by the Combined Boards of all Reserved Commodity List items listed for export to SPAIN and import to ITALY. The Italo-Swedish agreement has been signed and an exchange of notes is awaited to implement it.

15. The British and American Governments submitted "Notes Verbales" to the Italian Government objecting to an arrangement for restarting commercial relations between ITALY and SWITZERLAND which would provide for the settlement of debts incurred by ITALY during the period of hostilities from 10 June 1940 to 8 September 1943. The Italian Government replied that the disallowment of this settlement might result in a cancellation of the proposed Swiss loan (of 80 million Swiss Francs) and might delay the resumption of normal commercial relations with SWITZERLAND. They stated however that they would approach the Swiss Government with a view to examining modifications to be made in the agreement stipulated in August.

16. True hemp and rice were deleted from the Reserved Commodity List during the month. On 31st December the Combined Production and Resources Board and the Combined Raw Materials Board terminated their activities. The international control of commodities previously vested in these two Boards is now limited to tin, rubber, hides, coal, and cotton goods. The control is by five independent committees.

17. During the month 6,900 tons of goods were reported by ICE as having been

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

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16. True hemp and mica were deleted from the Reserved Commodity List during the month. On 31st December the Combined Production and Resources Board and the Combined Raw Materials Board terminated their activities. The international control of commodities previously vested in these two Boards is now limited to tin, rubber, hides, coal, and cotton goods. The control is by five independent committees.

17. During the month 6,900 tons of goods were reported by ICE as having been exported from ITALY by sea for a total value of 65 million lire. They consisted chiefly of four items which have always been important as Italian exports namely lemons, hemp, silk and bergamot oil. The Italian Government has started to approve large numbers of temporary and "franco valuta" imports. The chief commodities concerned are wool, cotton and turpentine. No imports involving the use of foreign exchange have yet been sanctioned.

INDUSTRY AND UTILITIES SUBCOMMISSION.

18. The lack of electric power in Northern ITALY has resulted in a slow-down of production in almost all industries; it is not expected that this situation will be alleviated before March. Approximately 13,000 tons of pig iron have been released

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

to ITALY from TRIESTE and this is expected to relieve the shortage in ITALY to some extent. Although shipments of raw cotton continued to arrive, the finished products are stockpiling as a result of a general standstill in the sale of cotton goods. It is estimated that there are 75,000 tons of cotton type goods in stock.

19. 4,500 tons of French phosphate rock, 7,390 tons of cotton, 502 tons of electrodes and 8,119 tons of petroleum coke were imported during the month.

20. The production of Sardinian coal in November was 63,307 tons; the estimated production of December is 55,000 tons.

21. During the 3 months October-December the Allied Commission in the Italian YB coal programme has bid for 1,253,000 tons; 881,852 tons have been shipped and received, which leaves a shortfall of 371,148 tons. Unless shipments arrive as scheduled in January a serious coal shortage will result. Approximately 34,000 tons of Sardinian coal were shipped to the Italian Mainland and SICILY during December.

22. During the month the control of electric power allocations was transferred to the "Central Commission for the Distribution and Utilisation of Electric Power" of the Italian Government established under Decree No 95 dated 5 April 1944. Military services are to receive priority on electric power. Power allocations established for January 1946 for Southern ITALY totalled 175,500 KW of demand and 90,350,000 KWH of energy and for Central ITALY, including the LEGHORN and FLORENCE areas, 281,500 KW of demand and 148,800,000 KWH. The fourth and last 35,000 KW generating unit at GALLETO Plant at TERNI was restored to operation during the month, bringing the total restored capacity of this plant to 140,000 KW. The 150,000 volt transmission line between Central and Southern ITALY in the FOGGIA area has been restored to service and 20,000 KW of capacity began flowing from Central ITALY to Southern ITALY, helping to relieve the difficult situation which has existed in that area.

23. To meet the electrical situation in Northern ITALY a rationing order was issued restricting power usage, and additional coal allocations were made to the gas plants in Northern ITALY sufficient to increase the availability of artificial gas from 2 to 4 hours daily commencing in January 1946. In order to equalise the cost of the thermal plant operation a surcharge was authorized for all consumers of .30 lire per KWH for the first 15,000 KWH used in each billing period, and .15 lire for all in excess of 15,000 KWH. The Italian Government has been requested to take the necessary steps to institute rationing measures in Central ITALY due to the continued drought and increased loads; in Southern ITALY rationing of Electric Power has been in effect for several months. Increased loads in all areas is largely attributed to lack of fuel and artificial gas for domestic and commercial use resulting in those consumers resorting to electric power for cooking and heating.

LABOUR SUBCOMMISSION.

24. Negotiations between industrialists and representatives of labour in Northern ITALY progressed in connection with the extension of the agreement regarding surplus labour, which was due to expire on 31 December. Representations were made that the Allied Forces Wage Scale should be brought into line with the new industrial basic rates, and revision and consolidation has commenced.

25. The Italian Council of Ministers decided to grant a special Christmas

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

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25. The Italian Council of Ministers decided to grant a special Christmas bonus to State employees, consisting of 3,000 lire in large cities and 2,500 lire in small towns, an amount less than the bonus paid in private industry. As a result there was considerable unrest amongst Civil Servants (see page 12 NWSLIA and S.E. ITALY report). A Christmas bonus was also paid to personnel employed by the Allied Forces.

5100

26. The monthly food expenditure in ROME in December of a family of five on a standard food budget was 12,718 lire which represents a slight increase on the food expenditure for November. 13,762 tons of washed coal were produced for the week ending 22 December 1945 in SARDINIA; the average total number of men employed underground was 5,083.

27. A trade union delegation from GREAT BRITAIN visited Northern ITALY as guests of the C.G.I.L. (General Italian Union of Labour). The visit was a great success and

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

served to bring together more closely the workers of the two countries. The recruitment of coal miners for work in BELGIUM and of general workers for FRANCE continued during the month.

TRANSPORTATION AND SHIPPING SUBCOMMISSION.

28. A greater tonnage of traffic was moved in December than in previous months, but the end of November saw the virtual finish of the movement of refugees into ITALY via the BRENNER Pass, and internal movement is nearing completion.

29. A total of 82,900 tons of Italian coastwise and Intra-Mediterranean traffic was moved during the month.

30. Operation and traffic control under Italian State Railways jurisdiction continued in a satisfactory manner and they now have full charge of reconstruction to their lines.

31. A mixed military-civilian tri-weekly passenger service from NAPLES to VERONA via VILLACH was inaugurated during the month. Heavy demands for increased services were received, but shortages of coal and rolling stocks hindered these being met. Civilian schedules are being carefully screened.

32. The general distribution of wagons continued to improve, and offloading time has been reduced with beneficial results. Civilian traffic increased steadily as military traffic decreased.

33. All Italian transport offices were transferred to ENAS (National Association for Motor Transport) control concurrently with the handover of Allied Military Government Regions in NORTHERN ITALY.

34. A total of thirty Allied vehicles were transferred to the Italian Government during the month.

35. During the month, pilferage of AC and UNRRA supplies increased greatly at ports and warehouses. A preliminary meeting was held with representatives of UNRRA, PWB, MFT, MMLA and Federazione and plans to remedy this situation were discussed. Issues of supplies from warehouses in general exceeded receipts.

REQUISITION BRANCH.

36. After screening by Allied Commission the following programs for UDINE for the first half of 1946 were sent to CCS by AFHQ: Agriculture, Coal Signal Stores Food, POL, Public Health and Textiles and Shoes. Only the revision of the Textiles Program mentioned above, and the requirements of miscellaneous raw materials for industry, remain to be handled by A.C. In order to assist procurement officers of 13 Corps, A.C. has prepared a list of agricultural commodities locally available, and was indicated where in ITALY they may be procured. Upon receipt from the Italian Government of authority for the expenditure of VT (troops pay account) funds, a requisition for truck spare parts was forwarded to WASHINGTON.

37. Records have been maintained of loans to VENEZIA GIULIA but as yet none have been repaid and AFHQ has been asked to clarify its intentions on repayments as outlined in TAM 690.

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

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

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32. The general distribution of wagons continued to improve, and offloading time has been reduced with beneficial results. Civilian traffic increased steadily as military traffic decreased.

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PROCUREMENT BRANCH.

36. After screening by Allied Commission the following programs for UNRRA for the first half of 1946 were sent to CCS by AFHQ: Agriculture, Coal Signal Stores Food, POL, Public Health and Textiles and Shoes. Only the revision of the Textiles Program mentioned above, and the requirements of miscellaneous raw materials for industry, remain to be handled by A.C. In order to assist procurement officers of 13 Corps, A.C. has prepared a list of agricultural commodities locally available and was indicated where in ITALY they may be procured. Upon receipt from the Italian Government of authority for the expenditure of VT (troops pay account) funds, a requisition for truck spare parts was forwarded to WASHINGTON.

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38. Examination of shipping documents received by A.C. revealed that their usefulness was lessened because they frequently arrived too late and, in the case of general cargo ships, contained inadequate information. Accordingly, WASHINGTON was asked to send modified cable manifests as soon as possible after ships' sailings.

39. Two reports on the status of the Program of Basic Supplies for ITALY (the so-called VT Program) have been prepared and reports have been received of 200 requisitions approved for procurement out of Italian VT funds (the so-called Troops Pay Account).

40. Routine functions of making status reports of procurement abroad of items under requisition continued.

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

PROGRAM COORDINATION BRANCH.

41. Great attention was given during the month to the compilation of two programs:

(1) Total Italian Import Requirement for 1946 (for the internal market).

(2) Recommendation, with the agreement of the Italian Government, for a presumed UNRRA allocation of $ 450,000,000 (freight included).

42. At a meeting with representatives of the Italian Government, held on December 5th, the joint policy of AC and the Italian Government in respect of the recommended UNRRA plan was fixed and a close collaboration between AC and the Interministerial Committee for Reconstruction (designated by the Government as liaison organization) established. On December 21st, letters were addressed by the President of the Council of Ministers, as President of the Interministerial Committee for Reconstruction, to AC and UNRRA Italian Mission submitting the recommendation for the 1946 UNRRA Italian program. This recommended program was embodied in an AC publication entitled 'Italian Import Requirements 1946' which was forwarded to WASHINGTON as an enclosure to MOC Airgram 131 on 24 December 1945.

43. Advance information on total requirements and the recommended UNRRA program for 1946 was cabled to WASHINGTON with MOC 421 on 22 December 1945.

CAPTURED ENEMY MATERIALS BRANCH.

44. Over 90 releases of Dumps and Civilian Material were made during the month and also a release of 67 ammunition dumps.

45. Few release notes have as yet been returned by the Italian Government, and in many instances the big releases have not even been inspected. Action has been taken with AMAR to hasten the return of release note receipts.

46. The work in connection with the collection of German Credits held by Italian Industrial and Commercial concerns was re-instituted on receipt of instruction from AFHQ. Actual collections will be made during the month of January.

47. The question of the return of industrial plant moved to the BOLZANO Area continues to be studied with a view to making a complete hand-over to the Italian Government.

SURPLUS AND SPECIAL MATERIALS BRANCH.

48. At the close of the year a preliminary report was submitted on the 1946 minimum clothing requirements for ITALY. This study, which is the culmination of several week's statistical inquiry, is the first of its kind to suggest minimum standards for clothing and household textiles on a per capita and family basis. It concludes with a series of statistics showing the aggregate amount of each article of clothing, footwear, and household textiles required by the various segments of the population.

49. After a careful review of the study both by the Allied Commission and by the Italian Government, it is proposed further to develop the report [illegible]

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49. After a careful review of the study both by the Allied Commission and by the Italian Government, it is proposed further to develop the report in order to ascertain the aggregate amounts of raw and semi-finished materials needed to produce the articles called for by the minimum standards schedules.

50. The Branch took steps during December to expedite the transfer of U.S. surplus fixed assets and installations to the Italian Government by arranging for the designation of sub-agents throughout the country to receive such surpluses that may become available in the future.

51. During the month ending 15 November 1945, U.S. surplus property sales to the Italian Government totalled $ 10,390,630.

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

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

PART IV

PUBLIC RELATIONS BRANCH AND INDEPENDENT SUB-COMMISSIONS

PUBLIC RELATIONS BRANCH

1. During the month Public Relations Branch was instrumental in coordinating with the Allied Publications Board and the Italian Government the handover of press functions in the Northern Provinces. These were formerly delegated to the Allied agency, but it was decided that it powers, except in UDINE Province, should be assumed by the Government which will send a representative of the President of the Council to MILAN to take over.

2. Issuance of press releases continued, though on a diminished scale. The most important related to coal imports and the transfer of the northern territories to Italian Government jurisdiction. Approval has been given for a new weekly publication called 'Economic Notes' to be produced in both English and Italian, for primary distribution to Italians.

3. Travel arrangements and news data were provided for Italian journali

NAVY SUBCOMMISSION

4. The Ministry of Marine has been informed that the restrictions on the activities of Italian naval personnel in the islands of PANTELLERIA, LAMPEDUSA and LINOSA, which existed before the administration was restored to the Italian Government, will be maintained. Lists of former French vessels and naval material in Italy, claimed, removed, of disposed of by the French naval authorities have been received, while investigation and recovery by the Italian Ministry of Marine of naval enemy material continued.

5. The port and shipyard of PALERMO was returned to the Italian Royal Navy together with substantial lists of equipment and port facilities. It is hoped to turn over all surplus naval stores and material, amounting to some 50,000 tons, at TARANTO upon the withdrawal of the Royal Navy Base on 31 January 1946.

LAND FORCES SUBCOMMISSION (MMLA)

6. The total strength of the Italian Army as at 1 January 1946 was 198,703 including 66,098 Carabinieri. The Folgore Infantry Division moved into the area around FLORENCE and PERUGIA towards the end of December.

7. Considerable difficulty was experienced in finding suitable sites for territorial training centres, especially in North Italy where the most suitable accomodation is still occupied by Allied troops. By the end of the month however there were only two territories to be finally settled, UDINE and BOLZANO. The organization and siting of schools for specialist training progressed favourably.

8. The Carabinieri continued to receive priority in the distribution of clothing and equipment and the position is now comparatively satisfactory. Good progress was made in the recovery of Italian Army vehicles from those recaptured in the north, although the general situation was still unsatisfactor 1,800 Army vehicles have been lent to civilian transport agencies and have not [illegible] Italian Government.

2. Issuance of press releases continued, though on a diminished scale. The most important related to coal imports and the transfer of the northern territories to Italian Government jurisdiction. Approval has been given for a new weekly publication called 'Economic Notes' to be produced in both English and Italian, for primary distribution to Italians.

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PWE Division

9. Approximately 900,000 prisoners of war out of a total of approximate 1,250,000 have been repatriated.

10. Arrangements were made during the month to ship 11 tons of Red Cross stores to PW in French hands in North AFRICA. The French authorities will onl release 12,000 PW in North AFRICA if they are replaced by German PW, and it is hoped that these will be sent from AUSTRIA.

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

11. Reports are constantly received of ill treatment of IPW in YUGOSLAVIA, and although food is sent to these individuals it is doubtful if it reaches them. It was reported that all IPW were repatriated from the U.S. zones in EUROPE by about 12 December 1945.

12. During the month of December the remittances by Italian PW held in British hands to their families totalled L. 43,797. Statements of credit bala in respect of IPW repatriated from British and US custody for the total amount of L. 59,705 were forwarded to the Italian Government for payment. 166 claims for non-receipt of remittances and a few claims for the non-receipt of family allowances were received and passed to the Italian Ministry of Post War Assistance for inspection and payment where possible.

AIR FORCES SUBCOMMISSION

13. A bi-weekly Italian Military Service from ROME to CATANIA Via NAPLES (POMIGLIANO) has been planned to begin on January 3rd, and a new aeroplane servi to GENOA from ROME will also be inaugurated in January. Permission in princip has been granted for the Italia. Air Ministry to charge fares for certain type: of airlift on the Italian Military Courier Service.

14. Further reductions were made in December in the Italian Air Force stren to comply with the readjustment of its composition to the 31,000 level.

15. Groundwork was laid during December for the initiation of a programme designed to transport by air perishable foods from ITALY's remote sections to the metropolitan centres and approval has been obtained for the first of those plans to go into effect. This will entail the carrying of some 7,000 kilos of fresh fish daily from VENICE to MILAN.

16. Progress is being made in the repair of ex-enemy recovered vehicles, but delay in the completion is being experienced through lack of essential part Serviceability of Italian-type fighters, Allied-type fighters and Bomber transp was maintained at a comparatively high level.

17. Aircraft firms continued to divert their energies as far as possible to peacetime products; the MACCHI Firm at VARESE is now producing light 3-wheel vans, threshing machines for farm work, and barges (60 and 300 ton types) made in sections. A few firms still retain skilled operatives and machines-tools for aircraft production hoping that authority may be granted for a return to the work upon which their name and reputation has been built.

COMMUNICATIONS SUBCOMMISSION

18. Additional train services and use of RAF air services helped to speed up internal and external postal services. ITALY has now postal and telegraphic communications with nearly all the countries in the world and practically all the normal peacetime internal postal services are in operation with the exceptio of the parcel post. Newspaper post from the rest of ITALY to VENEZIA GIULIA was restored, and surface mail services were restored to CZECHOSLOVAKIA and GERMANY.

19. A general improvement took place in the connection of small telephone exchanges to the main network and the long distance service has been

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

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20. The flood of gift parcels from the UNITED STATES arrived during the month and difficulty in accounting them in NAPLES was experienced, the trouble being accentuated by shortage of rolling stock. The Civil Censorship Group was dissol and all internal censorship was abolished, except in XIII Corps Area. External censorship is still in force, operated in Italian Government territory by the Italian Government.

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

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

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CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 394

MONTHLY REPORT

NOVEMBER - 1945

15 GEN

Ref: 324/30

14 January 1945

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 394

MONTHLY REPORT

NOVEMBER - 19[illegible]

15 GEN [illegible]

Ref: 324/30

14 January 1946

To	Init	Date
VP CA Sec		
Public Safety		
Public Health		
Legal		
Local Govt		
Patriots		
Displ		
Education		
MFA & A		
Ca Sec		

PLEASE PASS QUICKLY

CONFIDENTIAL

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ALLIED COMMISSION
CA
AUSTRIA
255
HEADQUARTERS

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CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
APO 394

MONTHLY REPORT

NOVEMBER - 1945

INDEX

		Para No.
	POLITICAL SUMMARY	1 - 2
PART I -	REGIONAL REPORTS	3 - 11
	Liguria Region	3
	Lombardia Region	4
	Piemonte Region	5 - 6
	Venezia Region	6
	AMG Venezia Giulia XIII Corps	7 - 8
	AMG Naples Commune	8
	AMG Livorno Zone	8 - 9
	Apulia & South Italy	9 - 10
	Sicily	10
	Emilia Region	10 - 11
PART II -	CIVIL AFFAIR SECTION	12 - 14
	Epuration	12
	Local Government Sub-Commission	12
	Legal Sub-Commission	12
	Education Sub-Commission	12 - 13
	Public Health Sub-Commission	13
	Public Safety Sub-Commission	13
	Monuments, Fine Arts & Archives Sub-Commission	13 - 14
	Displaced Persons & Repatriation Sub-Commission	14
PART III -	ECONOMIC SECTION	15 - 23
	Economic Section	15 - 16
	Food & Agriculture Sub-Commission	16 - 17
	Finance Sub-Commission	17 - 18
	Commerce Sub-Commission	18 - 19
	Industry & Utilities Sub-Commission	19 - 20
	Labour Sub-Commission	20 - 21
	Transportation Sub-Commission	21
	Programme Coordination Branch	21 - 22
	Requisition Branch	22 - 23
	Captured Enemy Materials Branch	23
	Surplus & Special Materials Branch	23
PART IV -	PUBLIC RELATIONS BRANCH & INFORMATION SUB-COMMISSION	24 - 26

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

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

I N D E X

		Page No.
	POLITICAL SUMMARY	1 - 2
PART I -	REGIONAL REPORTS	3 - 11
	Liguria Region	3
	Lombardia Region	4
	Piemonte Region	5 - 6
	Venezia Region	6
	AMG Venezia Giulia XIII Corps	7 - 8
	AMG Naples Commune	8
	AMG Livorno Zone	8 - 9
	Apulia & South Italy	9 - 10
	Sicily	10
	Emilia Region	10 - 11
PART II -	CIVIL AFFAIR SECTION	12 - 14
	Epuration	12
	Local Government Sub-Commission	12
	Legal Sub-Commission	12
	Education Sub-Commission	12 - 13
	Public Health Sub-Commission	13
	Public Safety Sub-Commission	13
	Monuments, Fine Arts & Archives Sub-Commission	13 - 14
	Displaced Persons & Repatriation Sub-Commission	14
PART III -	ECONOMIC SECTION	15 - 23
	Economic Section	15 - 16
	Food & Agriculture Sub-Commission	16 - 17
	Finance Sub-Commission	17 - 18
	Commerce Sub-Commission	18 - 19
	Industry & Utilities Sub-Commission	19 - 20
	Labour Sub-Commission	20 - 21
	Transportation Sub-Commission	21
	Programme Coordination Branch	21 - 22
	Requisition Branch	22 - 23
	Captured Enemy Materials Branch	23
	Surplus & Special Materials Branch	23
PART IV -	PUBLIC RELATIONS BRANCH & INDEPENDENT SUB-COMMISSION	24 - 26
	Public Relations Branch	24
	Navy Sub-Commission	24
	Land Forces Sub-Commission	24
	PWB Division	24 - 25
	Air Forces Sub-Commission	25
	Communications Sub-Commission	25 - 26

C O N F I D E N T I A L

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

POLITICAL SURVEY

1. The resignation of the PARRI Government on 24 November dominated all political activity and discussion during the last week of the month. The crisis originally arose out of the attitude of the Liberals towards the epuration laws although the parties of the Left continually affirmed that such an event would be the last thing the people would wish. The Christian Democrats however indicated their sympathy with the Liberals, and on the 18th the latter published a thesis attacking the Government in power. On November 22 the crisis was formally caused by the resignation from the Government of the Liberal members, together with the Minister of the Treasury. It was hoped at first that the defection of the Liberals need not necessarily cause a crisis and that Signor PARRI would be able to reform his cabinet on a five-party basis. However the recommendation of the Christian Democrat members of the Consultative Assembly that their members in the Government should resign forced the Prime Minister to tender the resignation of his cabinet as a whole. Before he resigned Signor PARRI summoned a meeting of the Central Committee of National Liberation to whom he felt bound to make a report since he had received his original mandate to form a Government from them. He declared that the centre of gravity of his Government had been moderate Left, and denied the allegations that the Allies had lost confidence in the Italian Government. But, he said, what made a very bad impression abroad was the instability of the Italian Government and the ease and speed with which one crisis followed another. Consultations among the different parties and politicians followed, but by the end of the month it was thought that Signor DE GASPERI (Foreign Minister in the PARRI Government) was the most likely candidate for the Presidency. On 29 November the Socialists and Communists announced that they were prepared to support Signor DE GASPERI, subject to certain conditions (amongst which was a pledge to fix the date and the powers of the Constituent Assembly), and although the Labour Democrats and the Action Party preferred not to commit themselves until they had learned his intentions, it was understood that since he had spoken energetically in favour of the convocation of the Constituent Assembly on a fixed date and was prepared to form a Government, he would be acceptable to them.

2. During the first week of the month the dominant topic of interest in Italian political circles was the question of the publication of the Italian armistice terms. A long period of speculation on this subject was terminated at 7 p.m. on November 6 when the text of the armistice was released, together with various accompanying and modifying documents as well as a commentary showing how some of the terms had been modified, either in practice or by specific directive of the Combined Chiefs of Staff. In addition it was noted in this commentary that certain of the clauses of the Armistice had either never been rigorously applied or had been practically not at all. Many circles stated that it would have been much more desirable had the publication of the armistice been accompanied by some announcement providing for a definite alteration in ITALY's status. The general reaction to the substance of the terms and their continuation in force was moreover unfavourable. Some of the points made in the local press were that an announcement of the abolition rather than the non-application of certain of the armistice clauses would be more appropriate measures to accompany the Armistice text; that the Italian Government should have had more time to consider the commentary accompanying the publication of the armistice and that ITALY was completely helpless and dependent on the Allies.

3. On November 9th Signor PARRI began his tour of the north of ITALY, and made a speech on the VENEZIA GIULIA problem in which he said that his Government had given proofs of much moderation which had repeatedly often been misunderstood. The Govern-

Minister to tender the resignation of his cabinet as a whole. Before he resigned Signor PARRI summoned a meeting of the Central Committee of National Liberation to whom he felt bound to make a report since he had received his original mandate to form a Government from them. He declared that the centre of gravity of his Government had been moderate Left, and denied the allegations that the Allies had lost confidence in the Italian Government. But, he said, what made a very bad impression abroad was the instability of the Italian Government and the ease and speed with which one crisis followed another. Consultations among the different parties and politicians followed, but by the end of the month it was thought that Signor DE GASPERI (Foreign Minister in the PARRI Government) was the most likely candidate for the Presidency. On 29 November the Socialists and Communists announced that they were prepared to support Signor DE GASPERI, subject to certain conditions (amongst which was a pledge to fix the date for the powers of the Constituent Assembly), and although the Labour Democrats and the Action party preferred not to commit themselves until they had learned his intentions, it was understood that since he had spoken energetically in favour of the convocation of the Constituent Assembly on a fixed date and was prepared to form a Government, he would be acceptable to them.

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3. On November 9th Signor PARRI began his tour of the north of ITALY, and made a speech on the VENEZIA GIULIA problem in which he said that his Government had given proofs of much moderation which had regrettably often been misunderstood. The Government were aware of their great duties and could not close their ears to the appeals which reached them from the Italian brethren in Zone B. The Italian Government could not permit such importations en masse or such attempts to efface the [illegible] character of the territory in question; this was a deliberate plan systematically pursued which his Government must denounce. Later at TRIESTE he spoke again, this time on the food problem, pointing out that the supply of bread was entirely in the hands of the Allies who had always considered Italian needs with generosity and understanding.

4. The President of the Council on his return to ROME held a press conference in which he mentioned the colonial question and asserted that the Italian Government maintained that it was unjust to exclude ITALY from TRIPOLI, CYRENAICA, TRIPOLITANIA and CYRENAICA, and not to reserve for her the part in their administration to which she felt that she was entitled. He concluded by stating that he knew of no present negotiations directed towards the conclusion of a provisional peace with ITALY.

5096

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

5. At the beginning of the month the Press Office of the President of the Council of Ministers issued a communique to the effect that the Italian Government had made energetic representations to the Allied Governments and to the Allied Commission asking for greater Allied control in VENEZIA GIULIA, owing to alarming reports received from CAPODISTRIA and in general from Zone B, in order to ensure peace and to prevent economic disintegration in that area.

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

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

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

PART I

REGIONAL REPORTS.

LIGURIA REGION.

1. The Italo-French border continued to present difficulties, and a fear is widespread that the French will return to ROUDINERA when Allied Military Government withdraws. There is nothing official to confirm this as the French still maintain only one battalion in the area, and the Local French press is quiet about irredentist claims except as regards the Val D'AOSTA.

2. Provincial and communal administration generally proceeded satisfactorily although the Prefects, Questori and Sindaci lean too heavily on Allied Military Government officials for support. A firm line was taken with the CLN in all provinces, as the reluctance of those Committees to yield executive authority and their pressure on local officials have been a continuous problem since AMG's entry into the area in May 1945. Electoral lists proceeded satisfactorily, subject to the bottleneck of the "Casellari Giudiziari".

3. The food situation was not entirely satisfactory as sugar, pasta, rice and oil were not supplied on the ration. This stimulated the activity of the Black Market and resulted in fantastic prices. As a result an understandable discontent was widespread.

4. Commercial and industrial activities increased under the direction of Italian agencies. Two new steel furnaces were put into operation with the arrival of November coal. Cement production commenced again on 24 November after a delay of 4 weeks due to flooding of the electric plant. 9,659 tons of good quality metallurgical coke were produced during the month. A 10,000 ton mixed cargo ship was launched on 14 November, the first major launching since the war.

5. The cost of living continued to increase sharply both in the legitimate and free markets, but every effort was made to enforce more effective price controls. Unrest among the workers increased as a result of the cold weather, inadequate housing, unsatisfactory food distribution and high prices. Two strikes occurred, but were quickly settled.

6. The overall volume of public works showed a good increase, due to the large number of works projects initiated and the carrying out of bigger projects. Repair to schools and public buildings was given a high priority. The total number of men employed on these activities amounted to 1,053. The electrical power situation caused concern, as it did elsewhere in the north, and a strict rationing decree was issued. Work continued satisfactorily on the ports of GENOA, LA SPEZIA and IMPERIA, but the port of SAVONA is still without adequate locking and warehouse space.

7. There were no AMG courts held during the month: the extraordinary Courts of Assise were slow progress, with more cases awaiting trial at the end than at the beginning of the month. Several cases, some of which were heard as early as July 1945, are still awaiting confirmation or modification by the Italian Government. The other Italian courts functioned fairly satisfactorily.

8. Public safety services, although still insufficiently clothed and equipped,

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

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8. Public safety agencies, although still insufficiently clothed and equipped, showed increasing confidence and proficiency. The Carabinieri however still need pistols, clothing and adequate transport. 6 murders occurred during the month, and armed robberies and holdups increased.

9. Public health generally was good, and the typhoid epidemic at SANTA MARGHERITA was well under control. Schools everywhere were opened, and are functioning as well as possible, in view of the shortage of buildings and equipment. 1,545 refugees passed through the area during the month.

10. Road and rail communications were normal, and have improved after the floods of October.

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

LOMBARDIA REGION.

11. The political situation still remained quiet, although local CLNs continued to be troublesome in some districts. Local government was satisfactory but a tendency to resign on the part of the Sindaci has resulted in a constant turnover of officials.

12. November requirements of coal were met after many delays due to lack of transport. Additional allotments were authorised by AFHQ due to the loss of methane gas in the first part of the month caused by the breakage of the pipeline across the river PO. Up to the end of the month 15,367 tons of cotton arrived from AMERICA and EGYPT, and most of it was distributed at once to the mills. PIRELLIS manufactured 100,000 bicycle tyres and 45,000 inner tubes; an import of raw rubber is expected shortly from US and USA and production of automobile tyres will possibly be started next month. Pyrites continued to arrive at the factories, although phosphate rock and rock salt are still unobtainable. 4,200 square meters of window glass were produced daily at PORTO MARGHERA and 1,500 square meters of reinforced glass at MILAN. 320 trucks, 80 trailers, 85 tractors, 10,000 bicycles, 290 three wheelers and 350 motor cycles were also produced in November although no tyres are yet available, except for the bicycles.

13. During the month rations were maintained to scale but owing to the acute shortage of grain 2 kilos of rice were given in place of the pasta ration. This will continue in December. 1,454,038 quintals of wheat were amassed by the end of the month, which is 88% of the estimated total of 1,644,000 quintals. The estimated total for the 1945 crop of rice is 1,180,490 quintals, of which up to the 15th of the month 250,884 quintals has been delivered. The firewood situation in MILAN, which was very critical at the beginning of November, has now improved and during the last fifteen days of the month about 125,000 quintals were delivered to the city from the provinces. The nine provinces during the month produced 1,123,799 quintals against an estimated total of 728,000 quintals.

14. The general industrial situation in the Region remained fairly satisfactory. Although there were further intentions of labour unrest over basic wages and high living costs comparatively few disputes involving a stoppage of work were reported. As in other regions in N. ITALY industrial workers had a short sit-down strike as a protest against the delay in connection with the negotiations for a general wage agreement for the North on 7 November.

15. The public works programme is very satisfactory and the expenditure of 625,000,000 lire has been approved in order to finance the construction of the first sections of a navigable canal from MILAN to the PO at CREMONA. Water in storage for hydro-electric plant reservoirs is 20% less than at the same date last year, and will not be augmented this winter. As a result fixed and drastic rationing of electricity has been necessary.

16. One General and one Superior Court case was held during the month; there were no AMG courts in the provinces. There is still a large number of cases awaiting trial at the Extraordinary Courts of Assize and the prisons are full of political prisoners, against a great number of whom no charge has yet been formulated.

17. There were no major incidents of crime during the month. There are however still many burglaries and street robberies, but the different police agencies are

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

[illegible] 40,000 inner tubes: an import of raw rubber is expected shortly from UK and USA and production of automobile tyres will possibly be started next month. Tyres continued to arrive at the factories, although phosphate rock and rock salt are still unobtainable. 4,200 square meters of window glass were produced daily at PORTO MARGHERA and 1,500 square meters of reinforced glass at MILAN. 320 trucks, 80 trailers, 85 tractors, 10,000 bicycles, 250 three wheelers and 350 motor cycles were also produced in November although no tyres are yet available, except for the bicycles.

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15. The public works programme is very satisfactory and the expenditure of 625,000,000 lire has been approved in order to finance the construction of the first sections of a navigable canal from MILAN to the PO at CREMONA. Water in storage for hydro-electric plant reservoirs is 20% less than at the same date last year, and will not be augmented the spring. As a result fixed and drastic rationing of electricity has been necessary.

16. One General and one Superior Court assize was held during the month; there were no AMG courts in the provinces. There is still a large number of cases awaiting trial at the Extraordinary Courts of Assize and the prisons are full of political prisoners, against a great number of whom no charge has yet been formulated.

17. There were no major incidents of crime during the month. There are however still many burglaries and armed robberies, but the different police agencies are taking more effective steps in these matters and on the whole they are gaining confidence and efficiency. There has been some improvement in the availability of clothing for them.

18. 3,047 refugees of all nationalities passed through camps at MILAN and COMO. 868 Italian Pa.W were repatriated from RUSSIA, and in addition 1,345 Pa.W were repatriated to ITALY from the Russian-occupied zone of GERMANY.

19. A civil airmail letter service was introduced between ROME - MILAN - TURIN and ROME - BOLOGNA - TREVISO on 12 November 1945 (see page 25 Communications Sub-Commission report). Communications remained good.

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

20. The news of the fall of the Italian Government created no major political repercussions in the Region, although the failure to form a new one produced a natural depression. Public opinion is that the recent political manoeuvres were illtimed and that politics should be submerged in a genuine attempt to put first the nation's interests.

21. French propaganda has increased in the TENDA area of CUNEO Province and in the VAL D'AOSTA as a result of the delay in approving the nominees for the autonomous Council.

22. Lack of civic responsibility is still predominant amongst Italian officials who have to be prodded continually to execute their duties promptly. Many Communes are finding it increasingly difficult to balance their budgets, despite the fact that their employees are still underpaid. The preparation of electoral lists proceeded as rapidly as possible.

23. Sugar from CZECH arrived during the month in quantities almost sufficient to meet the ration requirements. The non-receipt of grain under the approved plans has created a serious food shortage in TURIN province. 600 tons of flour were loaned from AMG reserve and at the end of the month another loan was made owing to the non-arrival of grain and flour from the receiving centres.

24. The allocation of coal for November was 73,500 tons, approximately 50% of the October allocation, which resulted in no allocation being made to certain branches of industry. The whole of October allocation and the majority of the November allocation of coal arrived in GENOA and SAVONA, but full delivery to the region has not been made owing to a shortage of railway wagons. The provision of firewood for certain provinces still presented a major problem owing to lack of transport and price difficulties. During the latter part of the month Italian soldiers were again used to help the civilian authorities in the collection of grain. 652,234 quintals of wheat were amassed and 516,846 quintals of rice.

25. Unemployment returns showed an increase of 9,000 but a proportion of this increase is due undoubtedly to the availability of more accurate statistics. On the whole however the employment situation in PIEDMONT improved, and a total of some 22,000 workers have found full-time employment.

26. The lack of confidence in AMG currency increased daily and its circulation has diminished. The reason for this is primarily the existence of large amounts of counterfeit.

27. The resumption of the acceptance of public works projects for processing has resulted in the receipt of a steadily increasing number throughout the month. The electric situation in the Region deteriorated considerably consequent upon the cold weather and the non- availability of gas and fuel to ease the situation.

28. Only a small number of AMG Courts were held; special courts of Assize continued to sit.

29. The Carabinieri continued to make steady improvement and their increased confidence is shown by the fact that they made useful arms raids and [illegible] on their own initiative. Lack of transport is

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24. The allocation of coal for November was 75,461 tons, approximately 50% of the October allocation, which resulted in no allocation being made to certain branches of industry. The whole of October allocation and the majority of the November allocation of coal arrived in GENOA and SAVONA, but full delivery to the region has not been made owing to a shortage of railway wagons. The provision of firewood for certain provinces still presented a major problem owing to lack of transport and price difficulties. During the latter part of the month Italian soldiers were again used to help the civilian authorities in the collection of grain. 652,234 quintals of wheat were assessed and 516,646 quintals of rice.

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29. The Carabinieri continued to make steady improvement and their increased confidence is shown by the fact that they made useful arms raids and carried out successful antibandit operations on their own initiative. Lack of transport is however a great handicap, and although some uniforms, greatcoats and blankets were received during the month, there is still an urgent need for more, especially winter equipment. Crimes of a serious nature increased, 196 arrests being made in TURIN City alone during November. Raids for hidden arms continued, but on a reduced scale owing to a temporary reduction in Public Safety personnel.

30. The health of the population continued to be good generally although the number of diphtheria cases remained high.

5095

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

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

32. The French Government has commenced the repatriation to FRANCE of non-French nationals. There are over 200 Italians in this category. 270 Italians, 74 of whom were ex-PW, passed through the Refugee Camp during the month, and 183 Allied and other nationals.

32. Heavy rains in the early days of the month caused considerable damage to highways and bridges, but traffic has now been restored on all routes. The TRENTA tunnel was opened to road traffic on 20 November.

VENEZIA GIULIA.

33. The month of November was politically quiet, although the latter part was clouded by the ministerial crisis in ROME. The President of the Council's tour of the VENETO on 10 - 12 November was very well-organised and appeared to be a personal triumph for Sig. PARRI. At PADUA his visit to the University was made the occasion of a pro-Italian demonstration by the students of TRIESTE. The ten Prefects continued to do their work well, and preparations for the elections made good progress, although all provinces reported considerable difficulty in securing information from the Consellari Giudiziari.

34. The distribution of food proceeded according to plan, although there was a temporary shortage of fats. From 26 November onwards special trains of salt ran from MONFALCONE to SAVONA to VENICE at the rate of 8 trains a month. The control of all materials, including plywood and hemp, is now in the hands of the various committees in MILAN. Some progress was made by UNRRA in the taking over of captured enemy materials dumps and the collection of information on such materials. 20,430 tons of coal were allocated to the Region during November, but it is hoped that there will be a considerable increase over this for December. The firewood plan was hampered by the desire of the exporting provinces to obtain goods for wood in exchange rather than money.

35. In the course of the month 24 wage proposals were approved and implemented throughout the Region. These included a 150% increase in the basic salary for restaurant employees in FRIULI Province which was justified in view of the tremendous increase in the cost of living. The various Labour offices are relying less and less upon AMG in the administration of their respective provinces.

36. No General Court cases were dealt with; 44 Superior and 76 Summary Court cases were tried. The Italian Courts are still badly in arrears with their work and to assist them honorary legal officials have been appointed in certain districts.

37. In order to provide employment several public works projects which will benefit the people in general were submitted for approval. Work on bridges and other public works projects proceeded in a very satisfactory manner; of 230 bridge projects approved 76 have been completed and 99 are still in the course of reconstruction and repair, while of 46,304 houses destroyed and damaged 10,270 have been repaired. Due to the lack of natural rains the reservoirs in the of North ITALY have reached a dangerously low level and a 20% reduction in electricity was put into effect during the last week of the month.

38. The Italian Police maintained a slow and steady improvement; crime, apart from highway robbery, is negligible and the majority of the populace is law-abiding. Police are giving full attention to the problem of the highway robberies, and many [illegible] quantities of firearms were recovered.

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

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

ALLIED MILITARY GOVERNMENT VENEZIA GIULIA (XIII CORPS).

41. During November there was increased political activity, notably from the Italians. They are becoming conscious of the necessity to maintain effective opposition to the more virile pro-Jugoslav propaganda, and are developing stronger nationalistic tendencies. There were no important changes in local government administration. During the earlier part of the month there were signs that the Slovenes were more inclined to cooperate with Allied Military Government under General Order nr. 11. Events have since proved however that the position remains the same, and many offers of cooperation still contain the condition that although local officials are quite prepared to recognise orders issued by AMG they must not conflict with those of the National Liberation Front. Steps are however being taken to implement the order in all communes. Up to the end of the month 256,411 identity cards had been issued.

42. The new police force are performing their duties in a manner which is evoking laudable comment in the Press and the improvement in morale and confidence has been marked by a desire of the public to cooperate with the police. The crime situation remained unchanged, although many more reports are being given, as a result of this increased confidence.

43. Greater efforts are being made to enlarge the economic resources of the area, although there are many difficulties in the way. Rations on the normal AC scale were issued to the population with the exception of pasta and rice. Italian officials appeared to be unwilling to deliver agricultural supplies to VENEZIA GIULIA as they fear they may fall into the wrong hands. Steps are being taken to prevent illegal woodcutting and to patrol the forests wherever possible.

44. All transport services are functioning satisfactorily and more buses have been put into operation.

45. There was increased activity on the part of the workers seeking new wage adjustments. Two strikes for increased wages were called during November, one by the painters of GORIZIA which lasted ten days, and one by the bakers of the TRIESTE area which lasted four days. 28,536 persons were unemployed in the territory by the end of the month, an increase of 162 over the October figures.

46. The November allocation of coal arrived on 25 November in time to avoid serious difficulties at the ILVA gas plant, and the first gas was made on 28 November. The coke has turned out much better in quantity and quality than was anticipated.

47. Through the non-arrival of coal, the general commercial situation deteriorated. The cotton mill at GORIZIA continued to work satisfactorily, but more machinery could be put into operation if increased supplies of raw cotton were available. 5,818 tons of firewood were received by the end of the month and hospitals and schools have been issued with sufficient supplies for two months. The repair of public buildings progressed satisfactorily except in GORIZIA where repairs are being delayed through lack of initiative.

48. Public health generally was extremely good; there was a small epidemic of diphtheria in GORIZIA but it was soon stamped out. During the month 1,970 displaced persons and 458 repatriated P.W. passed through the area.

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

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49. State expenditures are continually growing, due to the increase 5094 salaries. All communes are without funds but a considerable improvement financially is expected with the prospective increase in certain local taxes.

50. All the Civil Courts are functioning except three in GORIZIA area; as mentioned in the October report the Slovene judges who were appointed refused to serve unless Slovene were accepted as one of the official languages in the Courts. These areas were therefore attached to GORIZIA for jurisdictional purposes although the Slovene judges now show a disposition to compromise somewhat on the question of language.

51. Considerable improvement has been noted in the setting up of both Slovene and Italian schools (see also page 12-13 Education Subcommission monthly report). A

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

basic education policy has been drawn up, paying equal attention to the Italian and Slovene language and history. Italian schools seem to be keeping completely aloof from all political conflicts and there has been no desire for nationalistic emphasis.

52. Throughout November the tone of the VENEZIA GIULIA press has tended to become more violent on both the Italian and Slovene sides, and attacks on AMG have come with greater frequency and boldness from Right and Left. During the month 551,000 lire were given to widows of patriots, and pensions for those killed on patriot service are now being paid.

ALLIED MILITARY GOVERNMENT NAPLES DIVISION.

53. The publication of the Armistice terms removed a subject of rumour which had even included speculations as to the Monarchy and a story that NAPLES Port was to be occupied for 90 years. Local government was satisfactory, except for some trouble in a small village where the peasants accused the local Sindaco of being responsible for the unjustified increase in taxes, and the Carabinieri were called in.

54. Stocks of grain and flour in the silos have fallen to a very low level, in spite of the fact that 2 grain ships arrived in NAPLES during the month, and there are 2,000 tons of UNRRA flour in the warehouses. 42,000 tons of grain per month are required to maintain the ration in the 8 south west provinces which are normally self supporting. The effect of the drought and the lack of fertilisers were reflected in the poor harvest returns. Only 202,464 quintals of grain were amassed in POGGIA, as opposed to 1,189,133 quintals last year. In the 8 south west provinces 210,120 quintals were collected by 15 November as compared with 632,759 quintals last November.

55. Unemployment has been unfavourably affected by the closing of Allied military establishments and the arrival of an increasing number of repatriated Pg.W. Fortunately public works for the clearing of bomb damage are giving employment to about 3,000 and further work on the docks is being arranged. Only four strikes occurred during the month and there was no violence, although there were persistent demands for increases in wages. Water is still in short supply.

56. In NAPLES 2,500 cases of crime were reported during the month, mainly theft, and five cases of attacks and robberies on trains. Three police drives were carried out against areas known to be the haunts of criminals; arrest were made and stolen property and arms recovered. These drives had a good effect on public morale. Overcrowding in prisons continues to be serious and 4,204 prisoners are occupying accommodation for 2,500 in the POGGIOREALE prison in NAPLES.

57. In NAPLES City there were 26 small pox cases as against 16 in October, and in the provinces 44 as against 20. Typhoid also increased. Hospitals are very crowded and accommodation is limited; UNRRA however is helping to supply the necessary medical drugs.

58. A shortage of freight cars is still reported but movement has improved and in the third week of November 76% of the demands were met. Sufficient cars to move grain, flour and pasta quickly are urgently required. Stocks in warehouses have increased, but the shortage of wagons affected the distribution of food.

ALLIED MILITARY GOVERNMENT VENEZIA GIULIA.

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ALLIED MILITARY GOVERNMENT LIVORNO ZONE.

59. Large mass meeting were held throughout TUSCANY during the month, sponsored by the local Comitato di Liberazione Nazionale, to protest against the action of the Liberal Party in forcing the crisis in the Government. The meetings were well disciplined and orderly. Public morale remained good, and was unaffected by the fall of the PARRI Government. Local administration continued to function well.

60. The supply of food remained unchanged, and there were more signs of activity in industry and commerce. Plans are complete for a big fishing season, and it is hoped that agricultural production will increase two fold.

61. Unemployment continued to be a major problem, although there were few strikes, all of them being of brief duration. No public disorder was observed or reported.

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

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

62. [illegible] public works continued, although in view of the large number of unemployed, it is felt that the machinery for approval should be speeded up. More electric power is needed, although the supply of water showed marked improvement.

63. The Italian Courts are handling all cases affecting Allied interests, but not with great efficiency. Outbreaks of crime increased seriously during the month, and in the remote rural areas there were reports of daring holdups and extortion attempts by armed bandits. During the month 21 thieves were shot at while trying to rob Army installations, 7 of them being killed.

64. Cases of typhoid increased although not alarmingly. Grade schools are reported to be functioning well. 28,893 refugees passed through the area during the month. The U.N.R.R. continued to handle the displaced persons in LIVORNO and are doing an excellent job of processing, feeding and arranging transport for them.

65. Communications remained satisfactory.

APULIA and SOUTH ITALY (as reported by A. I. Liaison Officer BARI).

66. The people as a whole remained aloof from politics, and only some 15% are registered as members of any party. The morale of the people was rather low. Rising prices, shortage of food, unemployment, the severity of the winter, the general lack of discipline, the weakness of the Central Government all combined to present a picture of seemingly unsurmountable barriers to reconstruction. A steady swing to the Right was observed as the public long for a firm government to enable them to settle down to the task of rehabilitation.

67. The preparation of the Electoral lists progressed steadily and in BARI, BRINDISI and MATERA provinces they are complete.

68. The situation as regards grain and flour still caused anxiety. The provinces of TARANTO and LECCE have sufficient to last a fortnight, and BARI and FOGGIA sufficient to last three weeks. The cost of living in November 1944 for a family of five was 13,535 lire, and in November 1945 was 29,411 lire per month.

69. The wheat crop for 1945 is estimated to have been 2,861,000 quintals for the whole province of FOGGIA, and the olive oil crop was 2,004,440 quintals.

70. Apart from LECCE and TARANTO unemployment increased owing to the return of ex-soldiers, the reduction in the number of civilians employed by the Allies, and the seasonal decline in the demand for agricultural labour. On 30 November all Italian petrol employees went on strike with the result that movement of civilian vehicles ceased, other than those in Allied employ (see also page 20-21 Labour Sub-Commission report). On 20 November 1945, 10,000 workers of the TARANTO Arsenal held a mass demonstration as a protest against the recent murder of a Communist during a political meeting and also against the unfulfilled promises of better wages. The majority of the demonstrators dispersed after about an hour.

71. In FOGGIA 171,000,000 lire is being spent on the construction of houses for the homeless and the repair of war-damaged buildings. Many ex-soldiers have found employment only to the introduction of public works schemes.

72. The state of public safety still gave cause for concern. The Carabinieri

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

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APULIA and SOUTH ITALY (as reported by A. C. Liaison Officer BARI).

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72. The state of public safety still gave cause for concern. The Carabinieri and Public Security agents are still insufficiently mobile for their duties and more transport is urgently required. Disorders frequently broke out in the villages, and banditry by night was common. There were demonstrations against oil pressing in several villages in BARI Province and in one case where shooting occurred one Questure agent was killed, and 2 Carabinieri wounded.

73. One more case of plague occurred in TARANTO, thus bringing the number of cases reported to 24. Two cases of small pox were reported from TARANTO, otherwise the general state of health among the population was satisfactory.

74. Demobilisation of schools proceeded satisfactorily. 4,945 displaced persons were moved by rail from the zone during the month, and 2,781 passed through the centre. 2,035 Italian subjects resident in GREECE were deported almost without

5093

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

warning and landed at [illegible] by instalments. These were handled by UNRRA.

75. Dock clearance by road transport was satisfactory. The availability of rail wagons deteriorated in the Compartment of [illegible] owing to inefficient management.

SICILY (as reported by A.C. Liaison Officer).

76. November was a quiet month politically, and the electoral lists are sufficiently advanced to enable the administrative elections to be held in another month. These lists have also been completed in PANTELLERIA and LAMPEDUSA and sent to the respective provincial capitals.

77. The food situation remained unchanged, that is there was plenty of food on the Black Market at high prices. A glass factory capable of manufacturing 15,000 to 20,000 square meters a month has been opened in PALERMO.

78. There were no strikes at the beginning of the month, although towards the end several minor ones broke out. However all of them were settled quietly.

79. Electric power is still rationed but with the almost constant rain the situation should soon improve.

80. Public safety was normal, although at the beginning of the month the different strikes tended to cause unrest and annoyance. Public health was very good, and the officials concerned appeared efficient. Cases of trichinosis occurred near PALERMO but were stamped out at once.

81. Great concern was felt over the large number of Italian men being repatriated from TUNISIA by the French. Many were sent to their families in SICILY and the rest were kept in billets until sent to reception camps near ROME. Up to the end of the month only a few hundred had been sent there. Many of the refugees feel that the ROME Government is doing nothing about them, and the Sicilian were annoyed at the French for driving the Italians away from property and professions belonging to them. It was rumoured that only die hard ardent Fascists or collaborators are being deported from TUNISIA, and an attempt is being made by the Italian Government to ask the French Government to hold their families in TUNIS until the Spring.

82. Communications between PANTELLERIA, LAMPEDUSA and SICILY remained bad. The Italian Government promised aid, but unfortunately achieved nothing. The financial administration of the island of PANTELLERIA has been greatly improved by a visit of the Senior Finance official of SICILY. Communications are very bad between PANTELLERIA and LAMPEDUSA, and as the cable between the two islands is broken it is impossible to send any form of communication at all.

EMILIA REGION (as reported by A.C. Liaison Officer BOLOGNA).

83. Political activity increased with the Communist and Socialist parties well organised and with many members. It is reported that they are prepared to use force to gain power and reports have been received of a properly organised semi-military organisation in BOLOGNA, and of 8,000 armed Communists in MODENA province. The Government crisis caused a good deal of concern and the lack of a stable Government was generally deplored. Many public meetings and strikes were organised as a protest.

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EMILIA SECTION (as reported by A.C. Liaison Officer BOLOGNA).

83. Political activity increased with the Communist and Socialist parties well organised and with many members. It is reported that they are prepared to use force to gain power and reports have been received of a properly organised semi-military organisation in FERRARA, and of 9,000 armed Communists in MODENA province. The Government crisis caused a good deal of concern and the lack of a stable Government was generally deplored. Many public meetings and strikes were organised as a protest.

84. Provincial government functioned as satisfactorily as possible, bearing in mind all the difficulties encountered; the authorities have not sufficient power fully to enforce the law. The compilation of the electoral lists continued, and progress was fairly satisfactory.

85. The food situation was good, but it will be necessary to import supplies of grain by the middle of January, owing to the export of locally grown grain to other provinces. During the month 211,000 quintals of grain were exported, thus bringing the total for EMILIA Region to 1,390,000 quintals.

86. Unemployment increased, and continued to be one of the gravest problems to be faced, although the increase over the figures given in October is not great and is due mainly to the return of ex-P.W. and the seasonal decrease in casual

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

agricultural labour. All provinces have many public works projects in hand, but they are hampered by lack of money and raw materials. The water situation was satisfactory, although gas and electricity were in short supply.

87. Italian law courts carried out their work in a somewhat dilatory manner. No major cases were dealt with by the Extraordinary Courts of Assize during the month and no death sentences were carried out.

88. The public safety situation deteriorated greatly, and serious crimes such as murder, kidnapping and armed robbery increased alarmingly. 29A crimes were reported, and 36 arrests only were made. A serious aspect of the situation is the increasing number of large gangs at work, and vehicles in transit are being held up and plundered and houses entered and robbed. The Carabinieri worked well, although the continued shortage of transport and POL restricted their activities. No general improvement in the prison situation can be reported; and a serious attempt at a prison break was made at VENEZIA.

89. Public health in the region remained good on the whole; some typhoid and diphtheria was reported but the incidence of neither was alarming.

90. There was a slight increase in the number of refugees passing through the Region, those evacuated totalled 11,960, comprising 1,677 Allied Nationals, 10,145 Italians and 138 other nationals.

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

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

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

PART II

CIVIL AFFAIRS SECTION

Epuration.

1. Three new decrees on epuration were passed during the month. The first is of especial importance as it has altered the existing grounds for epuration and has restricted it in normal cases to the first seven grades of the Civil Service (or civilians of equivalent status). The present epuration machinery continues except that the Council of State takes over appeals and the present Appeal Board is abolished. Suspensions already decreed have been revoked except where proceedings are in hand, and the time limit for commencing proceedings has been extended to 31 March 1946. Directors and Managers of important firms (who are by Italian law technically not employees) are now for the first time made liable for epuration.

2. The second decree permits the removal from office under exceptional circumstances of any civil servant of the first five grades without giving any reason for this except that it is for the good of the service; therefore there is no opportunity for defence and no appeal. This power is limited to the Council of Ministers only and ceases on 17 January 1946. It is thought that this decree will make easier the removal of a relatively few persons who are alleged to have escaped epuration by influence or corruption. The third decree grants an amnesty to those condemned in the past for anti-Fascist activities.

LOCAL GOVERNMENT SUBCOMMISSION.

3. At conferences held with the Italian Government the suggested amendments to the draft decrees for the national elections put forward by the A.C., were accepted. These provide for:

(a) the prohibition of electioneering in the vicinity of polling booths
(b) the announcement of a date for the official publication of the names of candidates, duly nominated 20 days before the elections.

Approval has been given by the Allied Commission to the Italian Government's draft decree enabling Italian citizens resident abroad to be registered as voters.

4. Out of a total of 3555 communes in Italian Government territory, 593 communes (17%) have lists of male voters, and 702 communes (20%) have lists of female voters ready and approved. As can be seen, progress is very slow, and a speeding-up in this work will be necessary if the elections for the Constituent Assembly are to be held in April. The principal cause of delay, in Italian Government and AMG territory alike, lies in the work of the Judicial Record Offices, where electoral lists are examined to eliminate the names of persons convicted of certain crimes specified by law. It is hoped that preparation for the compilation of electoral registers will commence in the near future in VENEZIA GIULIA.

LEGAL SUBCOMMISSION.

5. In VENEZIA no General Court cases and less than 100 Superior and Summary Court cases were heard, while in VENEZIA GIULIA a total of 270 cases superior and summary, were heard. The Slovene Judges in GORIZIA are reported to have refused to serve unless the official language in the Courts is Slovene, but they now seem more disposed to compromise on the subject. There is still a delay in the reviewing of petitions by the Allied Commission.

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

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EDUCATION ADMINISTRATION.

6. Allied Requisition of schools in ROME proceeded satisfactorily and it is expected that no schools in that city will be occupied by Allied forces after 1 January. On the other hand 42 elementary, 7 technical and 3 secondary schools are wholly or partly occupied by refugees. Throughout the rest of Italy the Allies proceeded steadily with derequisitioning, but the position is still not good in NAPLES and BARI.

7. Progress has been made in the selection of advanced students to go to the UNITED STATES on scholarships. A teachers' strike throughout S. . ITALY was stopped by the Government agreeing to allow teachers to be paid as from 1 October, even though they had started work after that date.

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

8. The situation in [illegible] has not changed materially, and the crisis delayed the necessary authority to teach in German being given to secondary schools. In VENEZIA GIULIA however there was considerable improvement. Three secondary Slovene schools have been opened in [illegible] and in [illegible]. In [illegible] province there are 34, and in GORIZIA province 71, Slovene approved schools, while in POLA all eight Croat elementary schools have been approved. 933 elementary and 51 secondary (Italian) schools are functioning in the three provinces. There are 17,265 pupils registered in Slovene and Croat schools, and 46,146 pupils in Italian schools.

9. Buildings repairs to schools are under way although there is still an acute shortage of glass. It is hoped that as a result of the recent arrival of coal the heating problem will soon be solved.

10. School text books are still very scarce, but they are being given free to the poor children.

PUBLIC HEALTH CONSIDERATIONS.

11. Up to 15 November the [illegible] Repatriation Hospital Command had admitted 7,803 patients and discharged 6,231. Some reduction in the bed capacity of 3,161 will be necessary, as the four hotels are closing and the two Italian field hospitals are being returned to the Italian Army. The organisation of SONDALO Sanatorium for the reception and care of tubercular patients from [illegible] is proceeding, although many administrative problems still remain to be solved.

12. Only one fatal case of plague was reported from TARANTO during November. This brings the total number since the beginning of the outbreak to 28, with 14 deaths. Two cases of typhus occurred, one in PALERMO and one in BELLUNO province. Smallpox continued in Central and Southern ITALY, though no large scale outbreaks have occurred.

13. The [illegible] Delta Project reported a considerable decline in the number of adult mosquitoes captured, due to the advent of cold weather. The October infant mortality rate for [illegible] was 66.5 per 1,000 as compared with 99.2 in September. Deaths from all forms of tuberculosis in [illegible] during October amounted to 196.

PUBLIC SECURITY CONSIDERATIONS.

14. Public order generally during the month was fairly satisfactory, although there was the usual outbreak of strikes and food and wage demonstrations, all of which were handled competently by the Police.

15. Following the collapse of the Bonomi Government demonstrations were held in many parts of the country in support of the ex-Prime Minister. There were no serious incidents.

16. In AMG territory crimes of violence appeared to be well under control due to the increasing efficiency, morale and activity of the Police Forces. On the other hand, in [illegible] Region (the last area to be handed over to Italian control) crimes of violence again for the fourth successive month increased over the preceding month, with a small number of arrests. It is thought that the reason for this is the formation and recognition of Partisan police of strong political bias, which interferes with the activities of the regular police bodies. In other

5092

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

50972

Violence appeared to be well under control on the 15th as the police forces were augmented by army units and by the Gendarmerie. Curfews were in force in the Algiers area and in the territory of Orleansville. Over 10,000 persons are in prison camps or jails who have also been given 30,000 acres of uniforms for the maintenance of military and gendarmerie. Steps have also been taken to reorganize the police and gendarmerie, and to recruit 3,000 additional police personnel.

The remaining 3,000 students who have been absent from the universities, particularly in the Algiers area, are still very scarce, but they are being given special instruction.

School text books are being given to the poor children.

Up to 15 November 7,803 detainees were discharged (6,251 with no necessary) as the fear of the detainees being returned to the camps was allayed. Some detainees in the Orleansville camp, the organization of special interrogation centers in Algiers, and the release and care of detainees' families have made it possible to close the camps. Only one final camp remains to be closed.

This brings the total number of detainees released to 26,000, with 14,000 remaining in camps. Two cases of typhus and one of typhoid have occurred, one in Berrouaghia and one in Orleansville. Immunization against typhus and typhoid is in progress, with a total of 196,000 persons to be covered.

The Algiers Prefecture has completed a considerable decline in the number of thefts reported to the police. The October figure (down to the lowest level since the outbreak of the rebellion) was 66.7 per 1,000 as compared with 95.2 in September, which was the highest monthly figure recorded since the outbreak of the rebellion.

Public safety measures.

Public order measures continued generally during the month with daily activity, although there was a decline in the number of cases reported. The October figure (down to the lowest level since the outbreak of the rebellion) was 66.7 per 1,000 as compared with 95.2 in September, which was the highest monthly figure recorded since the outbreak of the rebellion.

Following the collective fines imposed in many parts of the country in connection with various incidents, there were

on the 14th November the Prefect of Algiers lifted the collective fine imposed on the Casbah district, which was the first area to be fined. The fine was 2 million francs, of which 1,500,000 francs had already been collected. The Prefect of Algiers has also lifted the collective fine imposed on the Belcourt district, which was the second area to be fined. The fine was 1,500,000 francs, of which 1,000,000 francs had been collected. The Prefect of Algiers has also lifted the collective fine imposed on the Belcourt district, which was the second area to be fined. The fine was 1,500,000 francs, of which 1,000,000 francs had been collected.

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3,000 students and 10,000 detainees are in process of being returned to the mainland, for whom 30,000 sets of uniforms have been given.

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null and void all transactions in works of art between Italians and Germans during the period when ITALY was under Nazi pressure. It further engaged to restore to their rightful owners any works of art wrongly brought to ITALY because of the war, and to prosecute any Italians responsible for aiding the Nazis in their depredations in the European world of art.

21. The Minister of Public Instruction has undertaken to obtain a clarification of the whereabouts of the famous CODEX ARGENTEUS, a TACITUS manuscript of high scientific importance. Documented reports were sent to Military Government authorities in AUSTRIA and GERMANY on evident thefts of works of art from VENICE, PERUGIA and AQUILA. Numerous caches of works of art, made by German troops in the country around BOLZANO, have been visited and inspected. The project for the repair of the pavement mosaics at GRADO is in process of final approval.

DISPLACED PERSONS AND DECONTAMINATION SUBCOMMISSION.

22. During November a total of 20,433 Italians were received in ITALY from all countries, 15,535 of whom came via the BRENNER and Swiss routes. The flow of Italians from GERMANY decreased by 47,768 as compared with last month. The repatriation of Italian refugees from FRANCE continued at approximately 1,000 persons per week via VENTIMIGLIA and GENOA.

23. By the end of the month 941,070 Italians in all had returned to ITALY. Since the occupation of GERMANY a total of 755,905 have been repatriated from EUROPE. The only notable move by sea during the month was that of 550 Spaniards from FRANCE and GERMANY. Arrangements were made for the return to POLAND of 1,500 Polish nationals.

24. Collection of medical stores was made from the Italian Government's Medical Depot at FLORENCE and a well-organised medical store is now established at BOLOGNA.

25. At the end of November 134,009 Displaced Persons were recorded by the UNRRA Record Bureau, an increase of 6,974 names over the October figure.

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

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

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

Annex III

Economic Section

1. On 1 November 1945 Economic Section of the Allied Commission was reorganised, and a brief summary of the major functions of each of its six sub-commissions, and 4 branches is given below.

A. Commerce (Foreign Trade) Sub-Commission: Secures clearance of Italian exports with the Combined Boards where Reserved Commodity List items are involved; reviews lists of exportable surpluses to determine whether they conflict with import programs and whether they can be applied to local military requirements; studies and makes recommendations as to all action to be taken by Allied Commission on proposed trade agreements and export-import arrangements; assists the Italian Government in developing its policy and organization with respect to trade controls.

B. Finance Sub-Commission: Controls the [illegible] disbursement of Allied Military Lire to the Allied Forces, AFHQ, and other Allied organizations; keeps the accounts involved therein and renders reports thereon to higher authority; receives and transmits to the Italian Government and [illegible], for guidance and compliance, directives from higher authority laying down Allied policies on financial matters.

C. Food & Agriculture Sub-Commission: Assists the Italian Government in providing an adequate dietary level for the Nation, acting in an advisory capacity in Italian Government territory, and in an operating and supervisory capacity in Allied Military Government territory. Acts to insure maximum utilization of domestic resources by restoration of agriculture, forestry and fisheries production; and to provide the necessary supplementary imported foodstuffs with which to maintain established ration scales. Acts to insure additional resources for the Allied Military forces wherever practicable, and the availability of surpluses that can be exported to re-establish foreign credits wherever practicable - all these functions being designed to relieve the dependence upon imported relief supplies. Advises the Italian Government with regard to policies and procedures that affect the production, procurement, and utilization of essential food and feed.

D. Industry & Utilities Sub-Commission: Formulates and recommends policies and plans affecting Italian industrial production; estimates potential production, basing thereon recommendations and procedures. Is responsible for planning power rehabilitation throughout Italy.

The Fuels Dept. (Coal) screens Italian demands and assists on liaison with the Italian Government in the procurement and allocation of coal. Shipping arrivals (averaging 30 per month) are coordinated by coal shipping experts of the Department to avoid congestion at Italian ports. The Fuels Dept. (POL) screens demands for POL under the national programs made by Italian Government and arranges for procurement of supplies through normal channels.

E. Labor Sub-Commission: In Italian Government territory, advises and assists upon request of the Italian Government with regard to [illegible] legislation concerning:

a. Basic labor laws and regulations governing wages, hours and working conditions.

b. Industrial relations and the formation of free associations of employees and employers.

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

5091

...velopment its policy and organization with respect to trade controls.

b. Finance Sub-Commission: Controls the custody and disbursement of Allied Military Lire to the Allied Forces, AC/S, G5, and other Allied organizations; keeps the accounts involved therein and renders reports thereon; [illegible] property; receives and transmits to the Italian Government and AC/S, G5, for guidance and compliance, directives from higher authority laying down Allied policies on financial matters.

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a. Basic labor laws and regulations governing wages, hours and working conditions.

b. Industrial relations and the formation of free associations of employees and employers.

c. Manpower and recruitment, registration, placement and movement of all labor, and employment exchanges.

d. Labor inspection and the enforcement of labor standards, safety and working conditions.

e. Social security measures and social security agencies.

In OMG Territory, establishes machinery for meeting civilian labor requirements of Allied Military forces; coordinates the civilian labor program with the Allied Military Labor Program; arranges for the abolition of Fascist labor organizations; determines the civilian wage policy; supervises labor relations, particularly as concerns labor union organizations; establishes labor offices; supervises social security agencies and the implementation of Italian Government decrees.

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

Acts as the channel on transportation matters, between the Italian Government and the Military and Allied Civilian Authorities concerned, e.g. AFHQ, ISACS, 'Q' Movements, MFT, TSA, etc.

G. Captured Enemy Materials Branch: To advise and assist the Italian Government on all questions concerning captured enemy materials. To secure releases of captured enemy materials for the Italian Government. To co-ordinate the hand-over by Military Commanders of all captured enemy materials not required for military purposes, which can be utilized for Italian purposes. To record all captured material released to Italian Government. To assist in determining ownership of captured enemy materials claimed to have been confiscated by the Germans. To investigate and decide ownership of captured enemy materials held by Italian Nationals without authority. To co-ordinate with the Italian Government the return of machinery removed from Italian factories and to determine ownership in accordance with existing directives. To investigate from captured records the position re German credits on the books of Italian concerns and to note such credits pending GHQ directive as to disposal. To co-ordinate with the Italian Government all questions of Allied policy concerning captured enemy materials.

H. Program Co-ordination Branch: To co-ordinate preparation of force [illegible] of requirements, supervise collaboration between sub-commissions and Government ministries on preparation of supply programs, liaise with Secretariat of Interministerial Committee for Reconstruction, publish programs and advise justifications on such programs.

I. Requisitions Branch: Acts as the procedural guide to the sub-commissions on the programming and requisitioning of civil supplies. It maintains files and effects records requisitions for these supplies and makes periodic reports on receipts with indications of amounts outstanding. It acts as a co-ordinating agency on matters pertaining to the civil supply program, e.g. ensuring that both Agriculture Sub-Commission and Industry Sub-Commission are kept abreast of developments in the procurement of raw materials for the manufacture of fertilizer. It is the agency responsible for furnishing Allied Commission and the appropriate Italian agencies with sufficient advance information of ships sailings, arrivals, and cargoes to make possible the effective acceptance and distribution of imported civil supplies.

J. Surplus and Special Materials Branch: Ascertains availabilities of non-subsistence materials and channels to the Ministries of Industry and Commerce demands, from Allied Commission and other Military formations, for Italian Government controlled materials; handles various regional inquiries on the general subject of materials relating to such routine matters as correspondence on unpaid bills in former regional territory, old balances, and other miscellaneous affairs. The Branch serves as liaison between AC and CPLC, representing and advising all sub-commissions as to surplus property availabilities. A special study is presently being undertaken in which estimational determination of Italian clothing and textiles requirements will be effected and published in a report for the guidance of the 1946 Supply Program.

FOOD AND AGRICULTURE SUB-COMMISSION

2. The Food and Agriculture Sub-Commissions were consolidated into a single Sub-commission with effect from 1 November 1945.

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

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

3. Imports of wheat and flour during November were barely sufficient to maintain the ration, even taking into account the uneconomic inter-provincial and inter-regional transfers of indigenous grain. Diversions of ships to ports have still to be made on a day-to-day basis to meet the most critical needs and the maximum use of rice is being made in all provinces in the North. Stocks of all imported commodities, except of course wheat, and fats, were satisfactory. Existing stocks of sugar were distributed throughout ITALY during November so as to make possible an increase in the sugar ration; as from 1 December the ration is to be unified at 200 grams per person, and negotiations are in progress to unify all other ration scales.

4. Due to continual disappointments experienced in attempting to complete the programme of moving salt by rail and sea permission has been given to private firms to transport salt by road and in "free" schooners. This type of movement will be discontinued as soon as the Monopoly di Stato secures sufficient rail and sea transport.

5. Olives are being harvested throughout the country. The quantity entered will probably fall 60% below the crop of last year in Central ITALY and 40% below in Southern and insular ITALY. Deliveries to the "Oleari del Tevere" have been slow, and throughout November only 882 metric tons have been pressed.

6. At the end of November 961,140 metric tons of wheat had been delivered to the assessing centres, 561,122 metric tons from North ITALY and 400,028 metric tons from the regions south of the APENNINES. Rice collection progressed favourably, with 73,991 metric tons pressed during the month.

7. Fuelwood production in Northern ITALY was 62% greater than anticipated, chiefly due to continued good weather and wide facilities for production. However control over distribution has broken down in many provinces, and as a result the wood shortage may become serious in some areas.

8. The fish catch continued to be exceptionally good, and the increased supply resulted in a decrease of approximately 25% in the price to consumers in NORTH.

9. The import of 2,300,000 metric tons of wheat requested on November 8th in NOC 119 to GOS for the 12 months August 1945 to July 1946 is approximately 10% larger than the average wheat import into ITALY in the five-year period 1926/1930, but is less than the quantity actually imported in each of the three years 1926/1928. During the period 1926/1930 when wheat imports averaged 2,101,000 metric tons, Italian wheat production fluctuated around 6,870,000 tons per year. The quantity available for human consumption, after allowance of 900,000 tons for seed, averaged 7,271,000 tons. In contrast, the present request for import, taking into account the exceptionally small harvest of 1945, will provide only 5,643,000 tons for human consumption during 1945/1946. This will result in a 22% decrease in the overall availability of wheat, and the quantity available per person will drop from 180 kilograms (available in the 1926/1930 period) to 125 kilograms.

10. After 1930 wheat production was increased by high pressure methods and an artificially high price. Imports were held down by means of a tariff to an average of 536,000 metric tons in the period 1931/1935. The increase in imports however was not offset by the increase in production so that the quantities available for consumption declined. In the disastrous crop year of 1936 when wheat production dropped to 6,112,000 metric tons imports rose to 1,583,000 tons despite official controls. This is further evidence that with the 1945 wheat harvest falling to 4,224,000 metric tons,

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

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8. The fish catch continued to be exceptionally good, and the increased supply resulted in a decrease of approximately 25% in the price to consumers in ROME.

9. The import of 2,309,000 metric tons of wheat requested on November 8th in WOC 119 to CCS for the 12 months August 1945 to July 1946 is approximately 10% larger than the average wheat import into ITALY in the five-year period 1926/1930, but is less than the quantity actually imported in each of the three years 1926/1928. During the period 1926/1930 when wheat imports averaged 2,101,000 metric tons, Italian wheat production fluctuated around 6,070,000 tons per year. The quantity available for human consumption, after allowance of 900,000 tons for seed, averaged 7,271,000 tons. In contrast, the present request for import, taking into account the exceptionally small harvest of 1945, will provide only 5,643,000 tons for human consumption during 1945/1946. This will result in a 20% decrease in the overall availability of wheat, and the quantity available per person will drop from 180 kilograms (available in the 1926/1930 period) to 123 kilograms.

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11. The short fall in wheat for October (September loading programme) was 6,130 tons; for November (October loading programme) it was 49,298 tons. The probable short fall for the December arrival by November loading will be 59,934 tons.

FINANCE SUB-COMMISSION

12. In accordance with CAC 692 from CCS, AFHQ has authorized the formation of the Allied Supply Accounting Agency. This agency, under the command of AFHQ but attached to Allied Commission for administration, is to ensure continuity of supply accounting and billing for both ITALY and the BALKANS, and has taken over all the supply accounting functions of the Allied Commission.

13. On 29 November the Minister of the TREASURY made the customary half-yearly press statement on the financial situation in **ITALY**. Significant points in the statement were:

a. The national debt of Italy is now in round figures 1,500 billion lire (including funded and floating debt but excluding the note issue of the Banca d'Italia and the amount of AM lire in circulation).

b. The currency circulation of Italy is now estimated at 285 billion lire (in small-denomination State notes and large-denomination Banca d'Italia notes), exclusive of the AM lire currency in circulation, estimated at 81 billion lire. Total note circulation is thus estimated at 366 billion lire.

c. For the fiscal year 1945-46, revenue (including the State monopolies of tobacco, salt, matches, etc.) is estimated at 105 billion lire for all Italy, and expenditures for the fiscal year are estimated at 340 billion lire. The deficit would thus be 235 billion lire. (Note: It is felt that this figure is too optimistic; further salary increases for State employees and continuing unemployment benefits in North Italy could easily increase the deficit to 300 billion lire).

14. On 26 October the President of the Council of Ministers informed the Chief Commissioner that the Italian Government intended to adopt an important financial program whereby a Foreign Trade Fund, or "Commaglio", would be established. Out of this fund an exchange premium would be paid to Italian exporters and into this fund would be paid the proceeds to be derived from surcharging imports, the same coefficient being adopted for both purposes. The President of the Council of Ministers stated that the Italian Inter-Ministerial Committee for Reconstruction had "excluded for obvious reasons a modification of the rate of exchange between the lire and the foreign currencies" and had suggested instead the "Commaglio" device to bridge the gap between internal and external price levels at the present rate of exchange. The Italian Government first indicated that the coefficient would be fixed at 100%; later advice is that it is planned to increase the coefficient to 120%.

15. TAM 715 of 26 November 1945, from DOS laid down that the reply to the Italian Government regarding the debt repayment provision of the proposed Italo-Swiss trade agreement would be made by the United States and British Embassies in Rome. It will be recalled that the debt repayment provisions of the Italo-Swiss agreement were referred to DOS by AFHQ in MAT 968 of 7 November 1945. The notes verbale transmitted to the Italian Ministry of Foreign Affairs by the two Embassies presented an agreed view which stated that the United States and British Governments could not agree to those provisions of the agreement which provided for the settlement or recognition of debts incurred during the period of hostilities between 10 June, 1940 and 8 September 1943, except private debts which might be extensions or renewals of credits granted prior to 10 June 1940. It was stated that credits given during the period 10 June 1940 and 8 September 1943, were of assistance to Italy in the prosecution of the war against the United Nations, and that there still remain unsettled claims and debts owed by Italy to the United Nations and their Nationals.

CONSUMER SUB-COMMISSION

16. Important work was done in connection with the project for removing the existing obstacles, on the Allied side, to the restoration of private trade to Italy, and assisting the Italians to overcome their own difficulties in this direction.

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

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

scope of this information varies greatly in each case owing to the different stages which have been reached in the several negotiations. These lists of goods are being screened to ensure:

a. That proposed exports do not clash with the basic Italian import program.

b. That Allied military requirement of foodstuffs will be met.

c. That all necessary allocations of controlled commodities are obtained from the Combined Boards in Washington.

19. The most advanced agreement is that which is being concluded with SWEDEN which envisages an exchange of goods to the value of approximately 50 million krones in six months. It only remains to obtain clearance of three comparatively small Reserved Commodity List items and, apart from these, the provision of the agreement are implemented immediately.

20. The agreement with SPAIN provides for larger exports from SPAIN to ITALY than from ITALY to SPAIN. The resulting difference between ITALY's imports and exports will be covered by consolidating or converting into pesetas some instalment of the Spanish war loan. However it is probable that some revision will be necessary to conform with the requirements of the Combined Boards.

21. With regard to BELGIUM, ITALY has proposed the export of a large range of products to the value of 620 million lire, but BELGIUM has asked for further goods to the value of 90 million lire, of which artificial dyes and typewriters are the chief single items.

22. Other negotiations which are still in the early stage have been started with POLAND, HUNGARY, and SWITZERLAND. Of these the most interesting to Italy's economy is the proposal to obtain 720,000 tons of coal from Poland.

23. During the month under review, almost all Italian exports were made to the United States or to the United Kingdom. The total value of these exports was 130 million lire, of which the largest single item was a consignment of bergamot oil to the United States valued at 76 million lire.

24. In order to simplify the screening of exports, it is hoped to give over all clearances to as many commodities as is possible. Accordingly, the Ministry of Industry and Commerce have been requested to augment, or clarify, their published figures of maximum export surpluses of industrial commodities with a further list of agricultural exportable surpluses so far as these can be forecast.

25. Considerable concern has been shown by the Italian Government over UNRRA purchases of various commodities for shipment abroad, and they have stipulated that all military purchases for goods which are subsequently to be shipped to other countries should be made in foreign currency.

26. Thirty thousand tons of pyrites lastings for Switzerland are still being moved from Sardinia. Hitherto, it has not been possible to move them by rail, but it is hoped that with the early reopening of the railways line from Leghorn on the coast, delivery will soon be possible. Great importance is attached to the sale of these pyrites as the price is 2400 lire per ton which will give Italy much needed foreign credit.

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

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

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5089

INDUSTRY AND UTILITIES SUB-COMMISSION

27. On 1 November 1945 Industry and Public Works and Utilities Sub-Commissions were made into one Sub-Commission under Economic Section.

28. In general the month of November brought forth little improvement in industrial conditions and activities. In some instances delays and shortages have resulted in a slowing down of production, and the increase of availability power in the North has stopped nearly all pig iron, and hot cut form steel production. As a result of strikes in the U.S.A. delay in the arrival of cotton has brought about an increase in prices. All rubber stocks have been turned over to the Italian Government for allocation by them.

29. 6,000 tons of French phosphate rock, 3,000 tons of blister copper and 8,728 tons of cotton were imported during the month.

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

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

November a strike of petrol distribution workers in FLORENCE and ROME spread to the South of ITALY and threatened to involve the whole country. An agreement had been negotiated on 6 November granting increases in wages, but the Italian Treasury refused to sanction it. Eventually the workers' demands were granted and separate agreements concluded for Central, Southern and Northern ITALY.

39. The monthly food expenditure for a family of five in ROME rose to 12,534 lire, which represents an increase of 548 lire on the food expenditure for October. The average number of men employed underground in the SARDINIA Coal mines throughout November was 4,990 and the production of coal for the two weeks ending 24 November was 30,682 tons of mined coal.

TRANSPORTATION SUB-COMMISSION

General

40. The present results of the revised bidding system for rail movement of civilian traffic, which was handed over to the Italian authorities on 15 October, were satisfactory, and indicated that the scheme will be successful. During the month there was a marked increase in the overall tonnage moved. Movement of refugees further decreased. All bids for coastwise shipping are now made by the Italian Ministries to the Ministry of Marine, although shipping is still allocated by United Maritime Authority.

Rail

41. The handover of control to the Italian State Railways was on the whole satisfactory; an international passenger service was started during the month with the inauguration of a MILAN - PARIS sleeper train.

42. During November the number of serviceable wagons increased from 79,019 to 81,256 but demands continued to exceed availability.

43. The coal situation became more serious; in July there was a 56 day supply which by November had dropped to a 26 day supply. The coal allotment for the mainland of ITALY is only 18,300 tons per week. Repairs to rolling stock have progressed satisfactorily in both private and ISS shops although timber, which is needed for the repair of wagons, is in short supply. Reconstruction and re-electrification made good headway during the month, especially when the difficulties involved, such as the shortage of materials, floods and heavy traffic, are borne in mind.

Road

44. 20,443 trucks, jeeps, trailers, motorcycles and sidecars, 320 tons of spare parts and 292 tool sets were received from Allied sources and transferred to the Italian Government during the month.

Shipping

45. 33 vessels discharged their cargoes at CIVITAVECCHIA during the month. For the second consecutive month, UNRRA imports exceeded receipts by 1,700 tons.

PROGRAMS PRODUCTION BRANCH

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

General

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PROGRAMME COORDINATION BRANCH

46. The Program Coordination Branch was established on 1 November 1945.

5088

47. One of the most important functions of this Branch is to give editorial assistance to the Italian Government in preparing and presenting its plans for the rehabilitation of the Italian economy and its statements of consequent import requirements. On the basis of PAM 447, the "Program of Essential Italian Imports 1945" was produced.

48. As a result of the Northern industries being left practically intact, a new plan of importation had to be drawn up, in cooperation with Central Economic Commission of Committee of National Liberation for North ITALY. The Central Economic Commission produced the "Piano Di Massima Per Le Importazioni Industriali Dell'Anno 1946" which was presented to the Inter-Ministerial Committee for Reconstruction and in November they in turn produced the "Piano Di Importazioni Per L'Anno 1946" covering the total requirements of the Nation in 1946, the purpose of which was to restore the economy to as nearly normal as possible within the year.

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

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

49. A translation of the first plan and the industry portion of the second was made and published by Allied Commission as a 275-page document entitled "Italy's Industrial Import Requirements for 1946".

50. Partially on the basis of the "Program of Essential Italian Imports 1945" and drafts of the Central Economic Commission plans, FEA in Washington also produced a program of imports to ITALY for 1946 which was used at the Third UNRRA Council Meeting in London as a basis for UNRRA's taking over responsibility for maintaining the supply line to ITALY for 1946. On the basis of this program it was determined that about 450 million dollars were essential for UNRRA to carry out its responsibility.

51. The second Allied Commission revision of the FEA program was produced on November 30th. In its present revised form the program is a statement of total requirements broken down by major commodity groups and by months of loading. Superimposed on the program, item by item and month by month, are figures showing how UNRRA should spend 450 million dollars. It is hoped that by mid-December two things will be accomplished: first, a final Allied Commission program of Italian import requirements in 1946 and second, a statement by Allied Commission, in agreement with the UNRRA Italian Mission and the Italian Government of how 450 million dollars should best be used. In order not to interrupt the pipeline of supplies after December 31st, it was agreed that if the balance of the first one percent (550 million dollars) was voted by the U.S. to UNRRA, UNRRA would set aside 61½ million dollars of sum to finance the loading of January supplies to ITALY but that (since the acceptance by UNRRA of the responsibility for the 1946 Italian supply program depends entirely on the vote of the 2nd one percent) the supplies purchased with the 61½ million dollars should not actually be shipped until this 2nd one percent is voted. The January loading program was therefore worked up in relation to the 1946 AC/UNRRA program and forwarded to Washington and London.

REQUISITION BRANCH

52. Requisition Branch of Economic Section was formed on 1 November 1945.

53. At the request of AFHQ Allied Commission undertook to screen the VENEZIA GIULIA and UDINE programme of imports for the first half of 1946. Not all of the programme has as yet been completed and sent to AFHQ. By 30 November requirements for the following had been screened and transmitted: for VENEZIA GIULIA and UDINE - Communications, food, the medical section of the Public Health programme, textiles and shoes and transportation; for VENEZIA GIULIA only - Agriculture and transportation. Of these, only the requirements for food have been submitted to CCS. XIII Corps has requested that the requirements for textiles and shoes be calculated on a new basis and a new requisition be submitted. Programmes for coal and raw materials for industry still await justification.

54. In accordance with TAM 690 supplies imported on the VB and Military Government Supply programmes have been loaned to VENEZIA GIULIA with the understanding that repayment would be made in kind out of military shipments. In addition commodities indigenous to ITALY have been loaned to VENEZIA GIULIA. AFHQ have directed that both Allied Commission and XIII Corps for the time being should maintain records mutually agreed upon, of all loans of Italian civil supplies to VENEZIA GIULIA and UDINE, until final clarification is given of the accounting procedures to be maintained and the manner in which it is proposed to repay these loans.

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55. A Ships' Documents Section has been established in order to:

a. Constitute a central channelling point for all ships' documents which come into Allied Commission.

b. Keep the various Sub-Commissions and interested Italian agencies informed of all advance information on arrivals of ships carrying Italian civil supplies.

c. Instruct representatives of the Italian Government for whom office space has been provided, so that they may eventually assume the functions outlined above.

The first two of the above three functions have been carried out satisfactorily, but it has proved difficult to obtain a clear-cut decision from the Italian Government on the role its representatives are to play.

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

56. An extensive examination of the various types of shipping documents received by Allied Commission and other Government agencies in the Theatre has been instituted. The object of the investigation is to determine the means by which advance shipping information may be improved.

57. Each civil requisition and supply programme is being reviewed with the object of bringing the procurement status of civil supplies requisitioned and programmed up to date, in summary form.

CAPTURED ENEMY MATERIALS BRANCH

58. On 1 November War Materials Disposal Sub-Commission changed to Captured Enemy Materials Branch of the Economic Section.

59. 4,000 load-carrying vehicles of Italian origin were released to A.M.A.B. (a department within the Ministry of Transport which has been set up to handle all captured enemy material released to the Italian Government). CCAC have ruled that the 300,000 blankets in BIELLA are captured enemy material and as such should be used primarily to satisfy the military requirements of SACMED. In view of the fact that there is a world shortage of blankets it was stated that they will be issued according to AFHQ releases.

60. 770 pieces of machinery and 890 tons of material have been returned to Italian industry for safe keeping pending a decision upon their final disposal.

SURPLUS AND SPECIAL MATERIALS BRANCH

61. Surplus and Special Materials Branch was activated on 1 November 1945.

62. The functions of this Branch include the maintenance of close liaison with the Office of Foreign Liquidation Commission (which has disposed of over 2 million dollars worth of surplus materials between 15 September - 7 October, on the sale of all types of American surplus material to the Italian Government, the preparation of an analytical study of requirements of the present population of [illegible] in textiles and shoewear, and the maintenance of liaison with the Italian Ministry of Industry and Commerce on all matters pertaining to Surplus and Special Materials.

63. Apart from timber in the British controlled areas in CIL, ZOLA and UDINE, there are no more non-subsistence materials under the control of Allied Forces Local Resources (Italian) Board. Requisitions to cover the essential civilian needs in textiles and shoes of the population of VENICE, UDINE (less Z.O.) and UDINE for the first six months of 1946 have been prepared for the Requisitions Branch.

64. All functions of the Tyre Section have been returned to the Italian Ministry of Industry and Commerce.

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

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60. 770 pieces of machinery and 850 tons of material have been returned to Italian industry for safe keeping, pending a decision upon their final disposal.

SURPLUS AND SPECIAL MATERIALS BRANCH

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64. All functions of the Tyre Section have been allocated to the Italian Ministry of Industry and Commerce.

5087

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

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

PUBLIC RELATIONS AND INTERNAL SUB-COMMISSIONS

PUBLIC RELATIONS BRANCH

1. Arrangements were made during the month for Italian correspondents to cover the NUREMBERG war criminal trials. Efforts were made to establish a new liaison between the Press Attaches of the British and American Embassies and AFHQ PRB concerning Public Relations issues which might arise as a result of the cessation of military responsibility for correspondents, and the lack of channels for direct contact with the Italian press, formerly assured by PWB. Travel arrangements and news lists were provided for Italian journalists.

2. Seven thousand one copies of the AFHQ Series were distributed: 1,000 to American universities and 6,000 for newly arrived troops in ITALY and FRANCE.

3. The issuing of press releases, including several important communications on economic subjects, was continued.

NAVY SUB-COMMISSION

4. The investigation and recovery by the Ministry of Marine of captured enemy material progressed slowly.

5. Authority has been granted for an Italian Naval Mission to proceed to the islands of PANTELLERIA, LAMPEDUSA and LINOSA to muster Italian Royal Navy personnel, carry out a survey of sunken ships and report as to the ease with which it is considered opportune to carry out salvage operations.

6. The Ministry of Marine was authorised to utilise substantial amounts of re-captured Italian Navy material in the GENOA area.

LAND FORCES SUB-COMMISSION

7. The total strength of the Italian Army as of 19 November, when it was handed over to the control of the Italian Government, was 255,134. The formation and regrouping of Internal Security Regiments continued satisfactorily.

8. The training and administration of the Carabinieri has been taken over by Land Forces Sub-Commission. The [illegible] of the 1920 class was authorised on 26 October 1945. This will raise the strength of the Italian Army (exclusive of the Carabinieri) to the 140,000 demand for the Interim Army, plus about 17,000 Service troops. The demobilisation of further classes is under review and will depend on plans being made for a call-up of [illegible] at the end of February. The repatriation of the 5,000 Slav speaking Italians previously employed in FRANCE has been completed according to schedule. All have been demobilised and returned to their homes.

9. It has been laid down by AFHQ that while supplies of war-stocks to the Italian Army cannot yet be made, applications to the nearest British authorities for help can be made where life is at stake. With the handover of the Italian Army to the Government, provisioning of medical stores for the Italian Army, Navy and Air Force will henceforth be undertaken by the Italian War Ministry from indigenous sources, surplus disposal stocks and civil import programme.

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

2. [illegible] copies of the [illegible] were distributed: 1,000 to American universities and 5,000 for newly arrived troops in VENICE GIULIA.

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6. The Ministry of Marine was authorised to utilise substantial amounts of re-captured Italian Navy material in the VENICE area.

LAND FORCES SUB-COMMISSION

7. The total strength of the Italian Army as of 15 November, when it was handed over to the control of the Italian Government, was 235,734. The formation and re-grouping of Internal Security Brigade continued satisfactorily.

8. The training and administration of the Carabinieri has been taken over by Land Forces Sub-Commission. The [illegible] of the 1920 class was authorised on 26 October 1945. This will reduce the strength of the Italian Army (exclusive of the Carabinieri) to the 185,000 planned for the Interim Army, plus about 17,000 Service troops. The demobilisation of further classes is under review and will depend on plans being made for a call-up of young soldiers at the end of February. The repatriation of the 5,000 Navy speaking Italians previously employed in YUGOSLAVIA has been completed according to schedule. All have been demobilised and returned to their homes.

9. It has been laid down by SCAC that while supplies of ammunition to the Italian Army cannot yet be made, applications to the nearest British authorities for help can be made where life is at stake. With the handover of the Italian army to the Government, provision of medical stores for the Italian Army, Navy and Air Force will henceforth be undertaken by the Italian War Ministry from indigenous sources, surplus disposal agencies and civil import programme.

IDP Division.

10. The Italian Prisoner of War Division is now part of Land Forces Sub-Commission.

11. Up to 25 November 1945, 823,271 out of approximately 1,241,000 IDP had been repatriated. Approximately 400,000 prisoners have still to be repatriated. During the month of November the remittances made by IDP held in British hands to their families totalled c. £3,250 sterling. 2,036 compassionate cases were dealt with, resulting in 48 cases being given authority for re-call.

12. On 1 November plans were made for the repatriation of 100 IDP from CYRENAICA. These individuals have since arrived in ITALY. Plans were also made for the repatriation of 40,000 IDP at present in Tripoli (ITALY). An Italian cruiser sailed on 27 November to pick up 700 ship [illegible] from MALTA, and will shortly collect another

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

750. The French authorities have agreed to the release of a further 25,000, but they will only release the balance if they are replaced by German prisoners of War. These are being transported from FRANCE to North AFRICA.

13. It was agreed at a conference held in ALMQ that the repatriation of IPT from BRITAIN will commence after the harvest, and 5,000 should be repatriated in December 1945.

14. Some 8,000 IPT were repatriated from RUSSIA during the month and the flow continues. The Italian Government states that there are 60,000 prisoners of war in RUSSIA, but the Russians state that they have only approximately 20,000.

AIR FORCES SUB-COMMISSION

15. Orders for the I.A.F. Flying Control Organisation have been issued by the Italian Air Ministry; this organisation is very similar to R.A.F. Flying Control. An air priorities system modelled on Allied standards is now in operation at all points with the exception of the Islands where the system will be inaugurated as soon as possible. During the month meteorological reporting stations were opened at PISA, GIA' DEL COLLE, PESCARA and GUIDONIA, and no stations were closed. There are now 113 such stations operating in ITALY, SICILY and SARDINIA. A large amount of British meteorological equipment has been purchased by the Italians, sufficient for their needs from six to nine months.

16. Personnel returns for November showed a decrease in the total strength of the I.A.F., but the return of 4,000 I.A.F. personnel formerly employed by USAAF has created a serious ration problem for the Italian Air Ministry.

17. Aircraft firms have been encouraged to change their production to peacetime articles and considerable progress in this direction was made during the month. FIAT aircraft works in TURIN are constructing coach works for motor buses and electric trolley buses, and other enterprises are the making of furniture and non-revision work for the State Railways. The LANCIA glider works have made 100% conversions although the ANSALDO Armament works have a large number of specialised machine tools lying idle and hundreds of employees for whom no useful work can be found.

18. A successful test of the "TURBI 32" aircraft was made and steps are being taken to convey it to the Ministry of Aircraft Production in LONDON. The first test of a new two seater reconnaissance aircraft was also carried out successfully.

19. More than 50 tons of clothing and accoutrements were transferred from NAPLES to the IAF store near ROME. About 450 IAF ex-PW were repatriated during the month.

20. With the general increase in serviceability of British vehicles previously supplied to the IAF, arrangements are being made to provide Italian vehicles from the North as replacements.

COMMUNICATIONS SUB-COMMISSION

21. Steady improvement continued to be made in the extension of both domestic and foreign telephone, telegraph and postal services. Thefemale staff no longer wire have seriously interfered with both civilian and military telecommunications. Long distance telephone facilities were expanded, and with the inauguration of a telephone circuit (for the present limited to Government traffic) to LONDON, ITALY has now a

2056

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

15. Orders for the I.A.F. Flying Control Organisation have been issued by the Italian Air Ministry; this organisation is very similar to R.A.F. Flying Control. An air priorities system modelled on Allied standards is now in operation at all points with the exception of the islands where the system will be inaugurated as soon as possible. During the month meteorological reporting stations were opened at PISA, SAN REMO, PIACENZA and GUIDONIA, and no stations were closed. There are now 113 such stations operating in ITALY, SICILY and SARDINIA. A large amount of British meteorological equipment has been purchased by the Italians, sufficient for their needs from six to nine months.

16. Personnel returns for November showed a decrease in the total strength of the I.A.F., but the return of 4,000 I.A.F. personnel formerly employed by UNRRA has created a serious ration problem for the Italian Air Ministry.

17. Aircraft firms have been encouraged to change their production to peacetime articles and considerable progress in this direction was made during the month. FIAT aircraft works in TURIN are constructing coach works for motor buses and electric trolley buses, and other enterprises are the making of furniture and non-revision work for the State Railways. The L'AEROPOLIA glider works have made 100% conversions although the CAPRONI Armament works have a large number of specialised machine tools lying idle and hundreds of employees for whom no useful work can be found.

18. A successful test of the "TURBI 30" aeroplane was made and steps are being taken to convey it to the Ministry of Aircraft Production in LONDON. The first test of a new two seater passenger aircraft was also carried out successfully.

19. More than 50 tons of clothing and accoutrements were transferred from NAPLES to the IAF store near ROME. About 450 IAF ex-PoW were repatriated during the month.

20. With the general decrease in serviceability of British vehicles previously supplied to the IAF, arrangements are being made to provide Italian vehicles from the North as replacements.

COMMUNICATIONS SUB-COMMISSION

21. Steady improvement continued to be made in the extension of both domestic and foreign telephone, telegraph and postal services. Wholesale theft of copper wire have seriously interfered with both civilian and military telecommunications. Long distance telephone facilities were expanded, and with the inauguration of a telephone circuit (for the present limited to Government traffic) to LONDON, ITALY has now a telephone service to GREAT BRITAIN, FRANCE and SWITZERLAND.

22. Gradual improvement in the telegraph service continued throughout the country, and new internal air mails were established between ROME, BOLOGNA, TRIESTE and ROME, MILAN, TORINO. General agreement has been reached with the British air services for air mail from ITALY to the U.K. and it is expected that final arrangements for this service will be made shortly. Surface mail service with YUGOSLAVIA was inaugurated during the month. It has been arranged to extend to VENEZIA GIULIA all the external mail services now being opened up in ITALY, and it is hoped that the resumption of commercial correspondence will come about in the near future.

23. Allied participation in the censorship of external Italian communications was discontinued in accordance with a directive from AFHQ. Further reductions also took place in internal censorship activities which are still carried on in some Allied Military Government territories.

24. The U. S. Post Office notified the Italian Post Office that postage under the extended gift parcel service were unreconciled, and the the promised sortings could not be undertaken until after Christmas.

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