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

ACC

10000/109/938
(VOL. II)

MONTH
MAR.

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

10000/109/938
(VOL. II)

MONTHLY REPORTS, INDUSTRY S/COMM.
MAR. - JULY 1945

Considerably large stock of hemp products exist in the North.

s. Mechanical and Automotive: Division worked out and submitted a comprehensive plan for distribution of imported coal among mechanical and automotive industries in various regions.

t. Mining: Coal mines in Istrian Peninsula if falling in Yugoslav territory would not be administered by Mine Division, Industry S/c, AC.

u. Lignite: Production of lignite on Italian mainland approximately 50,000 metric tons. Estimated production of solid fuel from North Italy mines, 10,000 metric tons. This should increase in July and August when labor and transportation could be made available.

v. Metal mines, Sardinia: Metal mines of Sardinia continue on a maintenance basis; lacking materials impossible to reactivate mines in full scale production.

w. Mainland metal mines: Mercury production begun, as well as pyrite and tin.

x. Monopolies: General situation of monopolies in Northern Italy confused. Ministry of Finance has asked AC to place the administration of tobacco factories in the North under jurisdiction of state monopoly in Rome. This is now being studied. Price situation for finished tobacco products has been stabilized. 32 tons of US requisitioned cigarette paper due to arrive in July.

y. Salt industry: Movement of salt from the South is progressing. Price raised to 10 lire per kilo. The marine salt works producing approximately 400,000 tons per annum, sufficient for all Italy.

z. Match industry: Large stocks found in the North. Prices have been slightly increased.

a'. Rubber: All tire and rubber factories ready to produce upon receipt of raw materials. Salvage rubber is being made available from army depots and it is believed that shortly reclaimed rubber will not be considered a controlled item.

b'. Steel: Steel industry in South Italy transferred from Army to civilian control. Responsibility for release of raw steel is with Commerce S/c and Ministry of Industry & Commerce.

c'. Textiles: From surveys made it is concluded that stocks of raw materials are low. This will affect thousands of operatives.

21 July 45

B/o t. CSO

A. B. ARNOLDY
Capt, Sp Res

2417 1103

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Ex Com

CSO - Folios 186-215 for info. Industry S/C monthly report for July. Highlights marked

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P/O F. C30

21 July 45

A. B. ARNOLDY
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Sf 247 1103

216

Ex Com

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FMAZ -22/9. Ernw 27/9

247

Received in Aug 13. Passed to me on 27/9

Ernw

DS/30/9.

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~~[redacted]~~

C.S.O.:

186

Summary of Industry Subcommission's Monthly Report for June 1945.

I - GENERAL

a. June brought no outstanding developments in industrial situation in Italy.
b. Numerous studies of problems in North made.
c. Handover of steel industries to original civilian managements completed.
d. Reduction of list of controlled materials to only five items should help industry.
e. Allocation of steel was made to AC. Also 1942 tons of calcium carbide and 23,000 tons of cement out of a total allocation of 42,300 tons.
f. Electrical Power Committee LFR(I)B: Availability of power in Southern Italy reduced due to plant breakdown at Silla and huge drain on rivers and reservoirs due to dry season. This resulted in recommendations that allocation to Cortona fertilizer plant be discontinued. AC opposed this on grounds that fertilizer requirements in Italy were tantamount to a military commitment and requested this matter be referred to Board for decision.
f. Derequisition of industrial premises: Troops are moving out of premises in practically all parts of Italy except in redeployment areas. Every effort is being made to derequisition as many plants as possible.

II - INDUSTRIAL ACTIVITIES

a. Considerable reduction in cement production due in part to shortage of fuel.
b. Brick and tile plants are gradually going into production using lignite for fuel if close enough to mines.
c. Chemicals: In June, 6000 tons of sodium carbonate produced. This is 40% of Italy's pre-war requirements. Difficulty appears to be transportation facilities for moving sodium carbonate from plants to distribution centers. Only 10% of production can be transported at present. Transportation S/C suggests that as much as possible should be transported by sea transport.
d. Paper: Paper plants in the North operating at 15/20% capacity due to lack of coal and cellulose.
e. Soap: Situation very unsatisfactory. Fatty materials' supply very limited. Many plants are small and old-fashioned and there is no method of controlling quality of soap produced.
f. Superphosphate fertilizer: Phosphate rock is coming in from French North Africa. Survey of Northern plant facilities wasthat war damage had been slight and 90% approximately of normal capacity remains intact.
g. Pyrites: Requirements for the next twelve months may reach 500,000 tons. This may be reduced due to lack of railroad facilities. Production of phosphate fertilizer is approximately 20,000 tons a month.
h. Sulphuric acid: Two plants in Tuscany producing sulphuric acid for manufacture of copper sulphate from scrap metal.
i. Nitrogenous fertilizer - ammonia: Oschiri (Sardinia) closed down last month through lack of water in the catchment basin. Montecatini's plant at Crotone closed down because military authorities refused to allocate necessary power.
j. Copper Sulphate: Very small production of copper sulphate at present.
k. Calcium carbide: Total stocks in North, 9700 tons. Production in Italy on a very reduced scale.
l. Industrial explosives: Two plants producing small amounts from salvaged

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l. Industrial explosives: Two plants producing small amounts from salvaged material.
m. Synthetic fibre: Plans are drawn up to reactivate rayon industry. Some being produced now. Shortage of cellulose is felt.
n. Nylon: Montecatini at Verbania (Novara) producing approximately 500 kilos a day. Every effort being made to provide necessary chemicals and fuel to keep plant in operation.
o. Chemical warfare plants: Rumianca Company's chemical warfare plants at Pieve Vergonte (Novara) undamaged; in a position to produce 850 tons of caustic soda a month, lacking only salt.
p. Coke ovens: From certain coke ovens Montecatini can utilize gas for synthetic production of ammonia.
q. Food processing: Efforts are being made despite fuel shortage to get all food processing plants working.
r. Hemp: Shortage of transport making it impossible to begin brining in the balance of old crop. It is known some is going to the black market.

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172.

Chief Commissioner

If you have time, I think, you would be interested to read the whole of this long report by Industry Sub Committee: it is good, encouraging & realistic.

A summary is contained under this tab

173. TTS/1417

E.C.

I have read the full report which is excellent.

PRB should be asked to publicise. There is the material here for several releases.

DWS
CC

24/7

B/W 23/7 for EC & see M. 173.

23/7

~~173~~ 173A

Cab.

Please note min 173 for Ex Com attention. do you wish that I put this up to PRB after you with Ex Com have seen this?

24/7/45

1101

173B

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

A summary is enclosed under the folder

173.

TS/1412

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EWS CC

21/7

B/w 23/7 for EC & see M. 173

23/7

~~173A~~ 173A

bbb.

Please note min 173 for Ex Comm attention. do you want that I put them up to PRB after you the ExComm have seen it?

1101

24/7/61

173B

PRB

A. See CCi minute at 173 above.

Signed bbb
for ExSec

25/7

173C

CSO / Mr. Wood, Pol. / Mr. Ivi - PRO (See bbb 30)

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5. CEMENT PRODUCTION

During the month production was substantially increased.

6. MINING

a. Sardinian coal: Estimated production for May, 37,000 metric tons, as against 28,650 tons in April.

b. During month, re-organization of the management of Sardinian mines was completed.

c. Lack of timber for mines created a critical situation.

d. Lignite production on the mainland estimated at 45,000 metric tons for May. Potential is considerably more.

e. Metal mining: Mercury production continues at half of its pre-war scale. 5000 tons of pyrites shipped from stockpiles at Scarlino. Very little shipped by rail. Most of it shipped by sea. Production of tin will begin very shortly.

7. TEXTILE INDUSTRIES

About 90% of this industry undamaged. Plants have been working in the North on a very reduced scale for 12 to 18 months due to lack of raw materials and coal. Considerable progress made regarding rehabilitation of cotton plants in Central Italy. Several important spinning factories have started production. Progress in production of woollen goods being made.

8. LEATHER INDUSTRY:

Figures for production os far received are unsatisfactory. Output should have been greater because of substantial stocks of tanning extract. Reports are to the effect that 8,000,000 kilos of leather are actually in the hands of shoe manufacturers in Northern Italy.

9. HEMP PRODUCTION:

AMG working through Consorzio Nazionale Canapa: this overcoming confusion which existed in Northern provinces. New prices under consideration. Approximately 20,000 of clear hemp and 6,000 tons of green hemp to be collected. New crop of hemp in the South seems to be very good. That in the North not quite so good because of lack of fertilizing materials and due to the drought.

A. B. ARNOLDY
Capt, Sp Res

7 July 45

AFHQ Commissioner.

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7 July 45

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A/Ec Commissioner.

To see minute 169 which is a summary of Monthly report from Industry d/c (copies at folio 168).

7/7. 171

7/7 Noted - Hold for Es & to ret.

C.S.O.

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coal and coke for sugar production arrived. Expected 8,000-10,000 tons of sugar will be produced.

b. Yeast Manufacture: Because of world shortage of yeast, production will be increased at Barletta plant to 40 tons monthly.

c. Food Processing: Difficult because of shortage of fuel. It is expected 20,000-30,000 tons of tomato paste will be canned.

d. Caustic Soda, Sodium Carbonate, Sodium Bicarbonate: Agreements made with PBS Hq, Leghorn, to release electric power station of Solvay plant. Difficulties have been overcome in regard to movement of special rail tankers required for transport of ammonia solutions. Special arrangements made with Italian State Railways for bringing in lignite supplies. Glass factories continued operation and new ones put into operation. Sufficient sodium carbonate available for the textile industry. Black market in caustic soda, soda ash, and sodium carbonate coming to an end.

e. Carbon Bisulphide: Requirements are being reviewed. Sufficient production to take care of grain fumigation.

f. Superphosphate Fertilizer: Agreements reached between French and Italians for purchase of phosphate rock.

g. Pyrites: Shipments program totalling 15,100 tons worked out on the basis of present stocks of phosphate rock. The Brindisi plant not yet derequisitioned but is in a position to start operation immediately it is free.

h. Sulphuric Acid: In Tuscany the Puccioni plant has begun to produce sulphuric acid. Superphosphate and copper sulphate will also be produced here with raw materials available there.

i. Nitrogenous Fergilizers - Ammonia: The Oschiri plant, Sardinia, has discontinued the production of ammonia and exhausted all available hydro-electric power. Production of sulphuric acid and ammonium sulphate is proceeding.

j. Copper Sulphate: The rate of production of copper sulphate from brass scrap is steadily improving. It is estimated that 24,000 tons will have been reached by the end of October.

k. Industrial Explosives: The firms are now producing mining explosives by unloading ammunition.

l. Mechanical & Automotive Industries: This Division has been worried by problem of finding sources of motor spares for Italian autotransport. Critical shortage of spare parts exists. A plan is being investigated as to repatriating auto parts from former Italian colonies.

m. Tobacco Industry: The situation of this state monopoly is rather confused. In some regions prices of 3 April are in force. There is no rationing in the North and speculators are able to buy tobacco products at higher than official prices for export to Central and Southern Italy for resale at black market prices. This results in loss of revenue.

n. Match Industry: Match situation is favorable. Factories in North Italy all working. Stocks on hand satisfactory. Sale of matches in North Italy

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n. Match Industry: Match situation is favorable. Factories in North Italy all working. Stocks on hand satisfactory. Sale of matches in North Italy free. Contrary to instructions of Economic Section, AMG Fifth Army instructed Regions under their jurisdiction to increase prices as of May 15 so as to equal those in force in Southern areas from December 44 to March 45.

o. Tires: Automotive and Bicycle: Michelin plant is at present producing sufficient tires to equip new trucks and cars produced by Fiat but stocks will shortly be exhausted. Pirelli, Milano plant relatively undamaged. Production continuing but small stocks of materials are on hand. Reconstruction of the Pirelli Tivoli factory is now nearing completion.

p. General and Technical Articles: Pirelli plants at Milano and Tivoli to manufacture also electrical cables, synthetic rubber etc.

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C.S.O.:

Summary of Industry Subcommission's Monthly Report for May.

1. GENERAL

May V-E month brought complete change in the economic and industrial picture of Italy. Fortunately the enemy surrendered leaving industrial installations in the North approximately 85 to 90% intact. Hydro-electric plants are still functioning up to practically 100% capacity, therefore providing sufficient power. The greatest problem is the need for coal and raw materials. Prior to the war Italy imported 12,000 000 tons per annum to supplement her own production and while today her industries could not consume such a volume there is still a great need for coal. It is necessary for Italy to consider how she can

(1) convert war industries to useful peacetime production,
(2) convert installations from consumption of coal to the consumption of electric power available,
(3) carry forward useful peacetime industrial activity by use of indigenous fuel and raw material resources.

Great progress could be made by importing five primary necessities:

(a) Coal,
(b) Industrial POL,
(c) Cellulose for the synthetic fibre industries,
(d) Rubber to produce tires to keep civilian transportation on the roads,
(e) Cotton and wool for textile industries.

The problem of reactivating the Italian textile industry being studied. This industry can play an important part in alleviating the strain that will be put on for a long time to come on the US and British textile industries.

As a result of German surrender, large quantities of consumer goods, including clothing of all descriptions, cloth, cotton and silk fabrics, boots, automobile tires and tubes, automobile parts and other items including several thousands of tons of coal. 1700 railway wagons of materials including clothing, boots, food and raw hides were standing on rail. Details of the consumer goods, with truck numbers and contents, were passed to Commerce Subcommission for urgent action. Industry S/C had no officers available to carry out investigation further. Allied Commission for Austria came to the rescue placing four officers and five civilian officials at the disposal of AC for Italy. Industrial machines and motors were found in the Bolzano area.

2. RELATIONS WITH THE ITALIAN GOVERNMENT

1098

a. During May close contact with Gronchi, Minister of Industry, Commerce and Labor. He was urged to take all possible steps to improve production of coal and obtain urgently needed labor for this purpose.

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b. AFLR (I) BOARD: Raw materials for steel making at Ilva Steel Works, Piombino, allocated AC for use in Italian steel industry.

c. ELECTRIC POWER COMMITTEE, AFLRS: On May 29 the allocation of power to the nitrogenous fertilizer plant of Montecatini at Crotone was discussed and allocation will be reviewed. Further allocations to wire-drawing plant of Societa Metallurgica Italiana at Lucca and to Perticara sulphur mine were granted.

3. DEREQUISITIONING OF INDUSTRIAL PREMISES

Many plants in the process of being derequisitioned. Some still held by the military.

4. INDUSTRIAL ACTIVITIES

a. Sugar Production: Rehabilitation continuing as scheduled. Shipments of

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CSO

Industry Sub-Commission Monthly Report for April; Summary follows:

1. Month of April saw the beginning of military operations to liberate the north. Many discussions held for co-ordinating activities and to enable Regional Teams to have an opportunity to move to their places and begin functioning as quickly as possible. The necessity for utilizing every officer available forced the removal of Industry Sub-Commission's Liaison Officer with the Italian Ministry thereby losing daily contact.

2. Engineering Materials Committee (AFLRS)

At a meeting of Engineering Committee of AFLRS, 11 April, because of heavy service demands on steel production works no allocation was made to Allied Commission for use of Italian civilian economy. Some allocation was made of calcium carbide and ammonia gas. In a meeting of the Industrial Co-ordination Committee several cases passed to investigating sub-committees, re: derequisitioning.

3. Sugar Production

Sugar plant at Cesena reactivated

4. Yeast Manufacture

Satisfactory production at yeast plants at Barletta and Rome reported. Rehabilitation of Poggioreale (Naples) yeast plant is proceeding satisfactory.

5. Food Processing

Plans drawn-up for production schedules for food processing for civilian consumption.

6. Soda Solvay

Ribolla
Experiments in the use of/lignite and the use of Sardinian coal in the Solvay Plant were carried out with satisfactory results.

7. Carbon Bisulphide

Sulphur supplies at plants adequate.

8. Pharmaceuticals

Lists and geographical locations of pharmaceutical plants and warehouses furnished to Army Commanders with the hope that this information all possible precautions will be made to plants and warehouses.

9. Pyrites

No sea shipments made in April due to high charges by Cogena

10. Reactivation of Fertilizer Plants

Two more superphosphate plants, Roma Tuscolana and Orbetello, resumed operations.

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11. Fungicides - Copper Sulphate

The production of fungicides - copper sulphate at the Montecatini plant at Bagnoli has improved but is still too low.

12. Military Explosives Plants.

Active program underway for conversation of war plants for peaceful purposes

13. Matches

Match Industry progressing favorably under C.I.F. Difficulty providing supply of poplar wood.

cont'd OVER

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14. Tobacco

Special cigarette paper is the present difficulty. Imports will help.

15. Nicotine Sulphate and Tobacco Extract

Plans proceeding for the operation of plants at Lucca, Naples, Bari, Cava dei Tirreni, Cagliari and Catania.

16. Rubber

Little progress in the rubber industry. Imports of raw materials to Pirelli not coming in.

17. Cement

Increase in the production of this product is shown.

18. Mining

Sardinian coal production - Production not large; averaged a half ton per man. There were two labor disturbances in March. Low production is probably due to the continued work-slow policy. Many conferences and meetings held but no decisive action has resulted.

19. Lignite Production - Italian Mainland

Production in April approximately 46,000 metric tons. The largest potential Lignite Producer is not producing to capacity because of financial difficulties. A new price proposed but not ratified.

20. Metal Mines

In Sardinia these continued to be under maintenance basis. On the Mainland power is now being supplied to some to keep them going.

21. Glass

No change in figures on fiber glass production. Increase in tableware for Army use occurred in Toscana.

22. Textile Industry

Rapid liberation of north showed 80% of textile industry is there.

23. Cotton Industry

Cotton manufacturing capacity of Southern Italy appears to be maintained. Considerable progress made with rehabilitation of sowing thread factory at Lucca.

24. Woolen Industry

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24. Woolen Industry

Production of woolen goods in the Prato Center improved. Production of woolen goods has increased to approximately 20,000 metres per day.

1695

25. Hemp Industry

The amount of hemp pooled very small in April

9 June 1945

A. B. ARNOLDY
Captain

42

Thank you. Will be pleased.
Follow up on para 8 of
the report "Pyrite" - the last sentence
refers

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5003/1

HEADQUARTERS ALLIED COMMISSION

ECONOMIC SECTION

INDUSTRY SUB-COMMISSION

AUG 13 1945

MONTHLY REPORT

No. 13

JULY 1945

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INDUSTRY SUB-COMMISSION

MONTHLY REPORT

No. 13

JULY 1945

SECTION I - GENERAL

1. INTRODUCTION

The month of July saw more industrial facilities handed back to the Italian Government. Following on the return of the steel plants (see Monthly Report for June 1945) all cement plants previously controlled by this Sub-Commission were returned to the control of the Ministry of Industry and Commerce. Assistance and advice is being given to the Ministry whenever necessary but it is hoped that the industries will operate efficiently under civilian control.

The further reduction in Controlled Materials (see para. 3 below) will again release materials to Italian industry.

The first meeting of the North Italy Industrial Council was held in Milan on 30 July 1945 under the chairmanship of Prof. Gronchi, Minister of Industry & Commerce. The minutes of the meeting are attached to this report as Appendix 'A'.

2. RELATIONS WITH ITALIAN GOVERNMENT

There was no change in the relations between this Sub-Commission and the Ministry of Industry and Commerce, with whom close liaison was maintained.

3. ENGINEERING MATERIALS COMMITTEE - A.F.L.R.(I) B.

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The 24th meeting of the above Committee was held on 16 July 1945 under the chairmanship of Brig. D.L. Anderson, CBE, when it was recommended that, due to the diminution of the list of materials controlled by the Committee, it should amalgamate with the Miscellaneous Purposes Committee, and the Committee therefore decided to adjourn sine die.

Tin, solder and white metal were recommended to be struck off the list of controlled materials.

4. ELECTRIC POWER COMMITTEE - A.F.L.R.(I) B.

The 21st meeting of the above Committee was held on 21 July 1945

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Tin, solder and white metal were recommended to be struck off the list of controlled materials.

4. ELECTRIC POWER COMMITTEE - A.F.L.R.(I) B.

The 21st meeting of the above Committee was held on 21 July 1945 when HQ No. 3 District representative reported that the electric power system in Southern Italy was dangerously overloaded and that although feeder line cuts are being made wherever possible by the military, no reduction in the civilian load has yet been effected by the Italian Government.

The water in the Sola reservoir is now at such a level (220 x 10^6 KWH) that the Committee considers that at the present rate of consumption, it will empty at the end of October or early November. This bears out the Committee's recommendation made at its last meeting in the respect of the Crotone plant. Although autumnal rains will slightly assist the situation in so far as the river stations are concerned, the Sola reservoir is filled by melting snows and little replenishment of it can be expected until February/March 1946. The connection between Central & Southern Italy anticipated at the end of October 1945 will provide only 20,000 KW against the total demand of 137,000 KW. In

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view of the failure to date of the Italian Government or HQ ALCOM to effect any cuts of civilian consumption, the Committee desired to go on record as having taken cognisance of the dangerous situation which will arise in Southern Italy in October 1945.

HQ Allied Commission reported that the interconnection of North Italy with Central Italy awaits the operation of the third 35,000 KW unit at Galleto (Terni). It is expected to operate at the end of July and the August allocations are in anticipation of this.

The interconnection between Southern and Central Italy permitting the flow of 20,000 KW to the south, is not anticipated to be made until the end of October 1945. HQ ALCOM representative stated that all the necessary materials were available but that the limiting factor to speeding up the interconnection was the lack of adequate transport. The Committee recommended to the Board that if additional transport could be made available to ALCOM for this purpose, it would help to avoid the dangerous situation which will arise in Southern Italy in October 1945, referred to above.

5. DE-REQUISITIONING OF INDUSTRIAL PREMISES.

A considerable number of applications for de-requisitioning continues to be received from the Ministry of Industry and Commerce. These are checked by this Sub-Commission and the ones that appear justified passed to the Military Authorities concerned. During the month some twenty plants have been de-requisitioned as a result of action taken at this Headquarters.

SECTION II - INDUSTRIAL ACTIVITIES

1. BUILDING MATERIALS

Cement

The production of cement in all plants, except those directly controlled by the military, have been handed over to the Ministry of Industry and Commerce to whom civilians now have to make applications for release.

Other Building Materials

There is no change in the production which is satisfactory.

2. CHEMICALS

Solvay Plant, Rosignano

Last month approximately 3,000 tons of sodium carbonate (soda ash) were produced at this plant. Caustic Soda output is averaging 100 tons/day. Distribution is now being carried out by Solvay Co., under the control of the Italian Government and is roughly equally divided between the North and

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The bottleneck still remains the serious one of inadequate transportation so that stocks are building up much faster than the product can be shipped out. Delivery is further complicated by dire shortages in all types of containers for packing.

The responsibility for shipping is now being given to ITMARE, a branch of the Government handling marine transportation.

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Società Aniene, Rosignano

On 23 July this plant resumed production in the undamaged part of the works. The main electrolytic cell building must remain out of production until it has been re-roofed.

Present production:	Caustic Soda (100%)	105 tons a month
	Chlorine	93 " " "

Aniene, Ponte Mammolo (near Rome)

This plant continues in regular production at roughly 50% capacity, producing in addition to caustic soda liquid chlorine, sodium hydrochlorite and chloride of lime, all three of which are now in critical demand for purification of water, household disinfectants and for general sanitation. A recent urgent appeal by UNRRA to furnish them 250 tons of chloride of lime cannot be immediately met out of stock, but it is hoped that by increasing production at both this and the plant at Rosignano, it will be possible to cover UNRRA's needs within the next month.

Here also, the virtual absence of containers and packing materials makes it questionable as to whether it will be possible to deliver the chloride of lime even when produced.

This factory includes a small plant for the synthesis of trichloroethylene, of which the U.S. Army is badly in need. It has been decided to reactivate this plant to its full capacity of 30 tons a month which is still far below the Army's requirements. Other plants in the North exist and these also will be reactivated as and when required.

The raw material, calcium carbide, has now become relatively plentiful with the uncovering of over 8,000 tons stock in the North.

Alkali and Chlorine Industry.

The most recent estimates of the potential capacity of the 24 larger plants in Italy excluding those so badly damaged that they may not be reactivated, but including chemical warfare plants, is approximately 80,000 tons of caustic soda per year. This added to the 100,000 tons available through causticization of soda ash gives a total annual potential capacity of 180,000 tons of caustic soda.

This figure is far in excess of foreseeable requirements for the two largest consuming industries viz: manufacture of rayon and soap.

Indeed, our estimates for the next 12 months requirements of Caustic Soda are:

Rayon manufacture	-	not over 20,000 tons
Soap "	-	" " 12,000 "
Miscellaneous		
		" " 3,000 "

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Rayon manufacture	-	not over 20,000	tons
Soap "	-	" " 12,000	"
Miscellaneous Chemicals	-	" " 8,000	"
	TOTAL:	40,000	"

The reason for this low demand is that prospects of obtaining alpha-cellulose for rayon from U.S. are very poor, whilst efforts to arrange for importation from Scandinavia are attended by the chronic difficulty of finding shipping. Thus rayon, which is the largest single outlet for caustic soda, will in all probability be able to consume only 1/5 of the normal. This spells serious trouble for the alkali producers, the repercussion of which will

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reach back to the salt producers of Sicily and Sardinia. The production of various chlorine derivates is being resumed such as: hydrochloric acid, calcium and sodium hydrochlorite and chlorinated hydrocarbon solvents in various plants. These are of high importance in industry and public health maintenance.

Paper

We have just learned by cable that most of the Italian essential programme requisitions on cellulose for kraft paper production has been denied. Since native sources of suitable cellulose never represented more than a fraction of the total requirements and procurement has been rendered doubly difficult by reasons of transport shortage this threatens almost a complete shutdown of commercial scale paper production.

Soap

There is little to add to last month's report. There virtually exists only one source of raw material for soap and that is sansa-extracted olive oil foots. Present estimates of available production for next season after discounting the 50% which is never declared, is approximately 12,500 tons.

Superphosphate Fertiliser

(a) Phosphate Rock

As reported last month, the 100,000 tons requisitioned by AFHQ last year has long since been delivered. The Italian and French governments after 10 weeks have still been unable to agree to a contract for Italy's requirements for next year for phosphate rock which are approximately 700,000 tons. Owing to this delay, the Mediterranean Shipping Board has warned that they may not be able any longer to hold the ships that were assigned several months ago for this special purpose. Should these ships be removed from this theatre, the position would become a tragic one in that it would create a deficiency of hundreds of thousands of tons of food in the next year's agricultural programme through lack of fertiliser. There are now ready to operate, awaiting only on phosphate rock, no less than 27 superphosphate plants as compared with which there are in operation only 9 working at reduced capacity now, so as to stave off their shutting down as long as possible. Production for July was planned at 38,500 tons but actually reached only about 15,000 tons.

(b) Pyrites

Owing to the cessation of phosphate rock shipment, little or no pyrites was moved in July. However, it has been decided to proceed on the assumption that eventually phosphate rock will be obtained. The intention is to use all the coastwise shipping and railroad capacity that can be spared to stockpile pyrites in the North. A target of 50,000 tons/month has been set but it is now extremely doubtful if this will be better than 2/3 fulfilled. The major difficulty is that Allied Commission is in the course of turning over to the Italian Government the responsibility for these movements and this has

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(c) Sulphuric Acid

Apart from sulphuric acid being produced at the 10 active superphosphate plants there are two plants in Tuscany making sulphuric acid in connection with copper sulphate. There is still no alum production in Italy, but production at several points may be resumed in August, it is hoped.

Nitrogenous Fertiliser

Montecatini's plant at Crotone, which can produce 23,000 tons

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of chemical nitrogen a year, running at full capacity, still remains closed down. Efforts to obtain an allocation of sufficient power to run at 1/3 capacity requiring 10,000 kW are still being continued.

Nera Montoro (Terni) operated through July at 15% capacity having produced 550 tons of ammonia sulphate.

Montecatini's plant at Novara continued to produce without interruption and turned out around 1500 tons of nitrogenous fertiliser and nitric acid.

Sinigo, Merano - This plant is capable of producing 2,000 tons/month of nitrogen in the form of ammonium nitrates and ammonium sulphate. It also has a plant capable of producing 1,000 tons of methanol a month, for which, 900 tons of coke a month are needed. The plant is in undamaged condition and it is intended to have it resume operations of both nitrogenous fertilisers and methanol, as soon as possible. Fortunately there is a stockpile of 2,000 tons of coke which is sufficient for 10 weeks' work. The difficulty lies in re-establishing railroad communications with the pyrites mine at Calceranica. Pyrites are essential for sulphuric acid production without which the full nitrogen capacity of this plant cannot be developed.

There is a small plant at Bas operating 100% on electrical power, capable of producing 50 tons a month of ammonia in the form of solution. Unfortunately a tank car suitable for carrying ammonia solution has not yet been located so that the plant must wait to be reactivated.

Copper Sulphate

The collection of brass scrap during the month was resumed on a rising tempo and there are good prospects that the total requirement of brass scrap in the North of 11,600 tons will be forthcoming in the next two months.

Experience has shown that the best way to utilise brass for copper sulphate production is first to convert the brass in oxydizing furnaces into a copper alloy in which the zinc content has been reduced to 7-10%. In this form the metal can be readily treated with sulphuric acid and permits production to approximate a normal rate.

The immediate problem is to find metallurgical works of sufficiently large capacity to handle the several thousand tons a month of brass cartridge cases, etc., which the military have promised to supply. It is probable that several plants near Turin and Milan will do the smelting and that the recovered copper will be divided equitably between Montecatini's plants at Spinetta Marengo and Vercelli and one belonging to Caffaro at Brescia, for making copper base fungicide.

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Fungicides and insecticides other than copper sulphate

Italian critical need for arsenicals and similar salts is relatively small. The 600 tons which have been asked to find for the next [illegible] manufactured by Soc. Elettrica Chimica del Caffaro and by

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Italian critical need for arsenicals and similar salts is relatively small. The 600 tons which have been asked to find for the next season will be manufactured by Soc. Elettrica Chimica del Caffaro and by Rumianca Company.

Calcium Carbide

All efforts to obtain coke have been fruitless and no calcium carbide was produced in July except a small amount possibly at Villadossola from coke in stock. Allocation of coal and coke has not operated smoothly and, although we can present a strong case for having part of the large stock of coke at Apuania (10/12,000 tons) there seems little hope that any will be assigned.

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Industrial Explosives

After long preliminaries, it has proved possible to bring together for agreement the diverrent branches of the explosive industry.

On August 20, a national conference will be held in this HQ under the auspices of the Allied Commission at which a final programme will be agreed upon for the equitable dividing up of the work of recovering surplus ammunition, on the one hand, and on the other the scheduling of the quantities and types of non-military explosives that shall be made therefrom.

The difficulty now lies in organising the collection, transportation, and transfer of military surplus material of American, British, Italian and enemy origin to private firms. The existence of conflicting regulations and procedures as between the various armies has led to much trouble in the past, but it is hoped that some general mutually accepted programme can be worked out, without which no workable arrangement will be possible.

Synthetic Fibre

Cisa Viscosa, Rome - On 19 July this plant resumed production of staple fibre at the rate of 90 tons per month. There are sufficient stocks of cellulose and chemicals to continue operating for the balance of the year. However, the intention is to double production, if possible.

Snia Viscosa, Cesano, Maderno - This plant operated steadily throughout the month at 13.5% capacity producing 80 tons of rayon. It is being favoured for reactivation since it generates steam by electric power, thus eliminating the heavy coal consumption normally involved in rayon manufacture.

Snia Viscosa, Vigaria Reale - This plant operated steadily last month, producing 113 tons of staple fibre or at 13% of rated capacity.

Gerli, Cusano Milanino - This plant operated throughout the month at 21% of capacity producing 85 tons of filament rayon.

Raw Materials - The rayon industry in normal times consumed an average of 150,000 tons of cellulose a year. After exhaustive research, the total cellulose that has been found in stock in Italy today is less than 5,000 tons. Knowing the situation to be desperate, this office requested that 12,000 tons of rayon-grade cellulose be included in the Italian Government's Essential Importation Programme. We are given to understand that there is a probability, if not certainty, that no cellulose will be approved for this year. Should this prove to be the case, it will be a calamity for Italy's chemical industry, since without cellulose one cannot make rayon, and rayon is the largest consumer of caustic soda and carbon bisulphide and an important consumer of oleum, hydrochloric acid and other chemicals. In fact, until this office can know with some certainty how much cellulose Italy will get, it cannot possibly draw up a balanced programme for reactivating the chemical industry.

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Needless to say, the most strenuous efforts are being made to organise the resumption of cellulose trade between Sweden, Austria and Italy and to bring in from Switzerland some 800 tons that had been stopped in transit during the war.

Nylon

Owing to inadequate communications, we cannot state positively whether Montecatini's production of nylon at Verbania was able to continue in production throughout the month. We have assigned a liberal quota of coal for this plant, but the actual implementation of the programme is several weeks behind and we have no information as to actual deliveries.

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Carbon Bisulphide

In addition to the three plants mentioned last month, raw materials (i.e. sulphur and charcoal) are being moved into Pieve Vergonte, (Rumianca Co), and Venaria Reale (Snia). No coal is being allowed for carbon bisulphide production as power is plentiful and the two plants mentioned depend entirely on power for their energy requirements.

The demand for carbon bisulphide for rayon production, which in normal years is a tremendous one, will be a mere 2,000 tons for the balance of the year, based on present availability of cellulose. This means that Italy's requirements for carbon bisulphide for agricultural uses can be easily met by the plants at present operating, in Sicily and Central Italy.

Chemical Warfare Plants

The Industrie Chimiche Nazionali Riunite plant at Cesano Romano was finally turned over by the Italian Ministry of War to the Ministry of Industry and Commerce on 15 June. The latter in turn passed the problem of converting this war plant to peacetime products over to the Mining Commission for working out a plan for conversion to civilian products, but nothing further has been heard. Indeed, the whole question of dismantling or converting to peacetime uses of chemical warfare plants owned by the Ministry of War has never been given the careful consideration which the problem is due. On this account, this office has not found it possible to continue with its declared objective of seeing that the 8 or more plants in Italy capable of making poison gases and other products for chemical warfare be destroyed, dismantled or completely transformed into plants making civilian products and yet being incapable of ready conversion to military purposes again.

As chlorine with its by-product caustic soda is almost invariably a basic element in a poison gas plant there are cogent reasons for reactivating the caustic soda department of such plants, since this part of the operation is an innocuous one, in localities which are badly in need of alkalies and chlorine derivates such as bleaching powder, disinfectants, etc. Hence, Rumianca Co. is being granted permission to move in salt for the production of caustic soda at its Pieve Vergonte plant, but subject to partial dismantling of the adjoining chemical warfare plant. However, this is strictly a temporary measure forced upon this office in the absence of any specific indications as to whether or not these former chemical warfare plants should be permitted to work or not.

Coke Ovens

It has now been decided that San Giuseppe di Cairo (Cokitalia) and Porto Marghera (Vetrocoke) will be the first two coke ovens to be started up. Accordingly, 2,000 tons of coal are being routed to each of these two points for the necessary preliminary 4-6 weeks period of warming up the oven settings. Operating at 50% capacity, each plant will require 30/35,000 tons of coal monthly, by the end of September.

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requirements for carbon bisulphide for agricultural uses can be easily met by the plants at present operating, in Sicily and Central Italy.

Chemical Warfare Plants

The Industrie Chimiche Nazionali Riunite plant at Cesano Romano was finally turned over by the Italian Ministry of War to the Ministry of Industry and Commerce on 15 June. The latter in turn passed the problem of converting this war plant to peacetime products over to the Mining Commission for working out a plan for conversion to civilian products, but nothing further has been heard. Indeed, the whole question of dismantling or converting to peacetime uses of chemical warfare plants owned by the Ministry of War has never been given the careful consideration which the problem is due. On this account, this office has not found it possible to continue with its declared objective of seeing that the 8 or more plants in Italy capable of making poison gases and other products for chemical warfare be destroyed, dismantled or completely transformed into plants making civilian products and yet being incapable of ready conversion to military purposes again.

As chlorine with its by-product caustic soda is almost invariably a basic element in a poison gas plant there are cogent reasons for reactivating the caustic soda department of such plants, since this part of the operation is an innocuous one, in localities which are badly in need of alkalies and chlorine derivates such as bleaching powder, disinfectants, etc. Hence, Rumianca Co. is being granted permission to move in salt for the production of caustic soda at its Pieve Vergonte plant, but subject to partial dismantling of the adjoining chemical warfare plant. However, this is strictly a temporary measure forced upon this office in the absence of any specific indications as to whether or not these former chemical warfare plants should be permitted to work or not.

Coke Ovens

It has now been decided that San Giuseppe di Cairo (Cokitalia) and Porto Marghera (Vetrocoke) will be the first two coke ovens to be started up. Accordingly, 2,000 tons of coal are being routed to each of these two points for the necessary preliminary 4-6 weeks period of warming up the oven settings. Operating at 50% capacity, each plant will require 30/35,000 tons of coal monthly, by the end of September.

Despite the intercession of the Labour Sub-Commission and appeals from the Workers' Committees it is still not possible to justify granting the 6,000 tons per month of coal to Terni Company for operating its coke oven at Nera Montoro.

Electrothermal

In preparation for the renascence of the electro-metallurgical industries due attention has been given to the resumption of production of carbon electrode manufacture. Although over 1,000 tons of carbon electrodes have been included in the essential imports programme, it is imperative to resume

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domestic production since not only will this reduce shipping tonnage but represent important monetary saving, since the cost of electrodes purchased abroad is high compared with Italian cost of production.

Accordingly, four plants have been selected for assistance: one at Ascoli Piceno, one at Narni in the South, a third at Forno Allioni and one in the North.

Although the stocks of bituminous raw materials required, such as high carbon pitch binder and coke are in short supply, enough has been located at various parts of the country to permit making perhaps over 1,000 tons of electrodes, or enough for the next few months.

Industrial Gases

Ammonia which was non-existent until Terni's plant at Nera Montoro resumed working is now relatively abundant, being available at Crotone, Nera Montoro, Novara, Sinigo Merano and shortly at Mas (Belluno).

Oxygen

Compressed oxygen is available at a score or more plants. 12 of these have been until recently operating under the Allied Armed Forces requisition but have been or are now being turned over to the owners for normal civilian supply, excepting for prior commitments to the Armed Forces, whose needs will, of course, receive first coverage.

Acetylene

Last month the military released nearly 1,200 tons of carbide in the South which added to the 8,500 tons found at various points in the North placed civilian Italy in a much easier position for acetylene than heretofore.

As in the case of oxygen, eight plants, previously operated by Allied Military engineering units, are or have been turned back to the owners.

Until calcium carbide production is resumed, it will not be possible to regard the situation as satisfactory. However, if only the allocation of carbide, on the part of the Italian Government to which this responsibility has now been delegated, is properly and fairly performed, the present reduced needs of Italian industry can be met for the immediate future.

Carbon Dioxide

Despite the pressure from bottled beverage manufacturers to be allowed to resume production of carbon dioxide from coke, none has been granted in view of the stringent coal position. However, one plant bottling natural carbon dioxide obtained from a well in the province of Arezzo will be back in operation soon, it is hoped.

Resins and Plastics

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Resins and Plastics

It has not been possible to devote any time to reactivating this industry, which, indeed, in the complete absence of essential basic materials such as phenol, formaldehyde, urea, cellulose, etc., has remained dormant for a long time.

Until the Italian synthetic organic industry gets going again and the several hundred tons of basic reagents and plasticizers included in the Italian Essential Imports Programme arrive, it will be premature to attempt to restart this satellite industry.

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Paints, Varnishes and Lacquers.

Problems of this industry are very similar to those of the plastics industry discussed above. Montecatini's plant at Avigliano for synthetic coolings is undoubtedly of considerable importance in connection with durable goods activities in the Turin area. It is, therefore, being given every assistance to continue at its present low level of activity. Otherwise no other plants have been given assistance up to the present.

Glues and Adhesives

There are over a dozen plants in the business of making glue from bones but in the almost complete absence of bones, all have been idle except one in Rome and that on a hand-to-mouth basis.

Coal Tar Distilleries

The principle factor in the coal tar processing industry is CLEDCA, a company under Belgian management, and possibly financial control, with 7 plants located near the larger gas works in the country. There are in addition 8 or more independent coal tar distillers in various parts of the country. For the present, there are only 3 points at which coal is being carbonized in substantial quantities, namely at the Naples, Rome and Milan gas works. These are the only sources of coal tar and much of this has gone into briquetting and road construction so that the coal tar chemical industry has been completely deprived of its life-blood namely coal tar.

In September with two coke ovens in the North operating at 50% capacity there will become available approximately 500,000 gallons of coal tar monthly, which though small, will prove of disproportionately great importance in that it will provide such critically needed chemicals as benzol, toluol, naphthalene, tar acids, creosote, and pitch.

Miscellaneous

A considerable proportion of the coal allocations last month were given to Montecatini's key plants at Linati, Cesano Maderno (ACNA) and Cengio (ACNA). These were discussed in last month's report and it is regretted that no recent information as to the extent to which activities have been resumed has reached us in time for this report.

1089

3. FOOD PROCESSING

Sugar Beet Processing

The month of July saw increased preparation for the coming sugar beet processing campaign. It is estimated that about 50,000 tons of sugar will be the maximum production in Italy this year. This includes about 4,000 tons that can be made from molasses by the barytization process. The plant at Legnano is the only one in Europe equipped for this type of work. Maximum production will be 1/8 of normal due to limited planting, the drought, damage to processing facilities and is further complicated by increasing possibility that the farmers will divert beets in some areas as food for cattle instead of sen-

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The plants at Rovigo, Arqua'Polesine and Lendinara have been excluded from the earlier formulated production programme due to inability to get the plants sufficiently repaired in time. The beet crops normally going to these plants will be diverted to other nearby sugar plants. The sugar plant at Bologna has recently come into the programme and reconstruction work is proceeding at a rapid pace to prepare the plant in time for a retarded campaign. The sugar campaigns in most areas will be later this year than usual because of the drought but the average time for the commencement of operations will be about 1 Sept. Coal and coke allocations have been made and fuel is beginning

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to move into various of the plants. The question of limestone for the Cesena sugar plant was satisfactorily resolved by an agreement concluded to split the sufficient existing limestone stock at the Bologna plant between the two plants.

Yeast Production

The yeast plant in the Naples area commenced operations just a few days after the deadline set for commencement of work. A difficult job of de-requisitioning and reactivation was accomplished most expeditiously under present conditions and the plant is producing at the rate of about 60-65 tons monthly for Allied Army and civilian needs.

A survey was made of the yeast-producing facilities in North Italy and production schedules were drawn up. Molasses stocks were frozen at various sugar plants to feed the yeast plants and though occasional snags have presented themselves in the distribution of molasses they are being resolved and production of yeast is proceeding well. It must be stated that many factions are assaying to divert existing molasses stocks for alcohol production. The priorities thus far given for the stocks of molasses are yeast production and sugar production by barytization. The use of excess stocks of molasses as an important cattle food implement is being studied in view of the fodder shortage.

Tomato Paste

The only area in North Italy having a fairly satisfactory tomato crop this year is the province of Piacenza in Emilia Region. The tomato processing campaign is highly seasonal since processing must begin immediately upon the maturity of the crop to escape complete spoilage. Great difficulties were being experienced in moving coal into Emilia Region and several thousand tons of tomatoes were in imminent danger of loss. To save this crop the Swiss owned plant of "LAUIS" was prevailed upon to part with 350 tons of coal most urgently needed for the 37 food-processing plants in the area to commence operations. The repairs to the Savona-Piacenza rail-line were completed several days ago and no difficulty is expected now in providing sufficient fuel to process the balance of the tomato crop. Difficulty in obtaining the coal was experienced with the Swiss authorities but in view of the urgency and guarantee of restitution the fuel was provided from the stock of the badly damaged "LAUIS" sugar plant. About 4,000 tons of doubly concentrated tomato paste is the expected production of Piacenza province. The paste will be preserved in 5% salt which has already been provided.

General Food Processing.

Allocations of fuel have been made to all regions with individual plants now receiving the coal in most areas. Fruit pulp is being prepared and is being preserved with sulphur dioxide prior to its later use. An allocation of about 2,000 tons of the existing sugar stocks has been made for jam production to contain 20 per-cent free sugar and enough natural sugar [illegible] high sugar content fig and other fruit concentrates to prevent

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By arrangement of Northern Section of Industry Sub-Commission information meetings were held in Milan with the Food Processing sections of the C.L.N.A.I.

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4. HEMP, ETC.

(a) A.M.G. Territory

On 18 July, the first railway wagons were loaded at and despatched from Bologna to Naples with raw hemp for feeding the southern mills and since then about an average of three wagons per day have been sent off. This will enable us to produce a certain quantity of ropes for September distribution besides, of course, other products.

On 6 July, 5th Army supplied us with 30 three-ton trucks and with the same we are getting in gradually the balance of the new crop. Similarly, commencing on 30 July, 5th Army are supplying railway trucks at Bologna for carrying the raw hemp to the various northern mills, chiefly in the Lombardy Region, on the basis of about 270 tons per week.

New Crop - North and South: The pesimistic advices given in our June report are unfortunately confirmed. Only a short poor quality crop will be available.

(b) Italian Government Territory

Hemp

The amount of raw hemp brought into the pool during July was only 23 tons. A certain amount of hemp has been received from the North. Up to July 31st. 18 wagons with 156.6 tons of hemp have arrived in Frattamaggiore from Bologna.

Production

If hemp arrives regularly from Bologna during the month of August, it is expected to have 50 tons of rope available for the R.N. by 1 September. There will however be a decrease in the production of the spinning and weaving factories, as some of these are beginning to close down to allow the workers the usual summer holiday. This has already been the case with the Jutificio Napoletano in Naples and the Tessiture Napoletana G. Rossi in Frattaminore.

1088

It has been reported to this office that the weaving factory Nicola Cirino of Mugnano has not been producing canvas according to instructions received, up to the standard type of medium and heavy canvas. The textile expert, Mr. Sartorio, was instructed to carry out an inspection and he has ascertained that, not only did the canvas produced by this factory present several defects in weaving, but also the weight did not correspond to the regular one fixed per sq. m. For instance, heavy canvas, type R.N.4, showed a weight of only 545 to 633 grammes per sq. m. whereas the regular weight should be 713 grammes, and the medium canvas, type 200, showed a weight of 454 to 502 grammes instead of the regular weight of 525 grammes per sq. m.

The above firm has already been caught out on a previous

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The above firm has already been caught out on a previous occasion for not carrying out the orders given by our textile expert, and Capt. Rae, who was at that time in charge of this office, imposed a fine of L. 15,000 on them. A proposal has now been sent forward by the Consorzio Nazionale Canapa Naples, to close down this factory for 15 days, without dismissing their workers, who will have to be kept regularly on their pay roll.

Power

The supply is normal.

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Supplies

The position re coal supplies is becoming very serious. Manufacturers complain that their requests to U.P.I.C. meet with no success. Factories have not received their allocations for June and pressure has been brought to bear by this office on U.P.I.C. for a supply of 250 tons of coal to the various hemp factories, request which has been cut down to 220 tons of Sardinian coal; but up to the end of July only 90 tons have been delivered to the factories, the greater part of which is only fine powder of practically no use to the factories.

It is therefore imperative that Coal Section, Commerce Sub-Commission should be asked to give priority to hemp factories for a supply of 250 tons of coal monthly.

Contraband

The R. Carabinieri at Frattamaggiore have confiscated 19 quintals of hemp in 18 police operations. The Finance Guards, Italian Police and Consorzio Guards confiscated a further 17½ quintals of hemp in 18 operations.

Prices

According to instructions received, from 1 July 1945, full prices, including raw material, have been applied to Services.

MATERIAL DELIVERED IN JULY 1945

Rope over 3 m/m

R. N.	Quintals	600.18	
DADOS/ORDNANCE	"	400.--	
Q.M.- P.B.S.	"	774.--	(partly R.O. 2519)
Italian Navy	"	360.--	(R.O. 2530)
Land Forces Sub-Commission	"	60.--	(R.O. 2524)
Total	Quintals	2194.18	

Ordinary Twine

	Heavy Kilos	Medium Kilos	Light Kilos	
Q.M. - P.B.S.	6900.-	1200.-	1800.	
		200.-	200.	(R.O. 2532)

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Total	Quintals	2194.18	

Ordinary Twine

	Heavy Kilos	Medium Kilos	Light Kilos	
Q.M. - P.B.S.	6900.-	1200.-	1300.	
Italian Navy	-	200.-	200.	(R.O. 2532)
Total Kilos	6900.-	1400.-	2000.-	

Machine Thread (Wet Spun)

		Heavy	Medium	Light	
Italian Navy	Kgs.	50	50	50	(R.O. 2532)
Consorzio Nazionale Canapa	"	400	500	900	
Total	Kgs.	450	550	950	

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Sewing Thread (Dry Spun)

		Heavy	Medium	Light	
Italian Navy	Kgs.	50	50	50	(R.O. 2532)
Q.M. - P.B.S.	"	100	100	100	
Consorzio Nazionale Canapa	"	700	500	600	
Total	Kgs.	850	650	750	

Shoemakers Thread

		Machine Sewing	Hand Sewing	
Italian Navy	Kgs.	75	75	(R.O. 2532)
Q.M. - P.B.S.	"	200	-	
Consorzio Nazionale Canapa	"	250	5900	
Total	"	525	5975	

C A N V A S

	Heavy sq. metres	Medium sq. metres	Light sq. metres	
R. N.	5978.80	6026.-	6001.70	
Consorzio Nazionale Canapa	25000. -	29000.-	65000. -	
Land Forces Sub-Commission	-	59783.20	-	(R.O.2524 - 2553)
Q.M. - P.B.S.	-	28011.40	-	
Total Sq.m.	30978.80	122820.60	71001.70	

S A C K S

1087

R.N.	No.	12.000
Consorzio Nazionale Canapa	"	158.000
Total	No.	170.000

PALLASSES

Land Forces Sub-Commission	No.	268	(R.O. 2524)

Shoemakers Thread

		Machine Sewing	Hand Sewing
Italian Navy	Kgs.	75	75 (R.O. 2532)
Q.M. - P.B.S.	"	200	-
Consorzio Nazionale Canapa	"	250	5900
Total	"	525	5975

C A N V A S

	Heavy sq. metres	Medium sq. metres	Light sq. metres
R. N.	5978.80	6026.-	6001.70
Consorzio Nazionale Canapa	25000. -	29000.-	65000. -
Land Forces Sub-Commission	-	59783.20	- (R.O.2524 - 2553)
Q.M. - P.B.S.	-	28011.40	-
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R.N.	No.	12.000
Consorzio Nazionale Canapa	"	158.000
Total	No.	170.000

PALLIASSES

Land Forces Sub-Commission	No.	268 (R.O. 2524)

GILLSPINNING 1/2 Lea

		in hanks	on spools & balls
R.N.	Kgs.	2944	(R.O. 2530)
Consorzio Nazionale Canapa	"	-	30000
Total	Kgs.	2944.-	30000.-

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T O N

Q.M. - P.B.S.	Quintals	260.66
R. N.	"	127.08
Consorzio Nazionale Canapa	"	800.00
Total Quintals		1187.74

5. MECHANICAL AND AUTOMOTIVE

Motor Vehicles

July output, trucks:	Alfa Romeo	70
	Isotta Fraschini	60
	O.M.	150
	Bianchi	10
June-July output,	3 Wheelers	215
	Trailers	135
	Agricultural Tractors	45
	Bicycles	3,806

Rolling Stock

70 Railway cars were built.
300 " " " repaired.
13 " locomotives " "

General

The translation of the German list of the captured Italian industrial equipment and the making up of a card index of same is now completed.

6. MINING

(i) Sardinian Coal

Production and sales data received from Chief Mining Officer, Sardinia for June are as follows:

	Metric Tons
Stock on hand 1 June 1945	32,806
Production for June	44,186
Reclaimed coal June	1,214
TOTAL	78,206

Motor Vehicles

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	Isotta Fraschini	60
	O.M.	150
	Bianchi	10
June-July output,	3 Wheelers	215
	Trailers	135
	Agricultural Tractors	45
	Bicycles	3,606

Rolling Stock

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	Metric Tons
Stock on hand 1 June 1945	32,806
Production for June	44,186
Reclaimed coal June	1,214
TOTAL	78,206
Sales June	
Local Sardinia	15,465
Export	32,480
	47,945
Stock on Hand	30,261

The estimated production for July is 50,000 metric tons. Actual production and sales data are not yet available.

Production throughout June averaged approximately 1705 metric

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tons per day. The steady rise in production is due to an increase in the number of workers and not to any increase in the output per man shift.

There have been no labour troubles during July and discipline and control over the workers appeared to be more satisfactory.

The number of underground workers has increased to 3850. Efforts are being made both in Sardinia and the Mainland to recruit more labour. Final arrangements have been made to transport 400 newly recruited miners from the Mainland to Sardinia.

(ii) Lignite Italian Mainland

The estimated production of all lignites for July is 65,000 tons.

The xiloid lignites of the Leffe Basin in Bergamo province were inspected during the month. The deposits were developed during the war and are of much greater potential value than had been expected. On the other hand due to their development in abnormal conditions the methods of working are uneconomical and the mines are badly laid out. The contribution of these mines to the total in the above paragraph is 9,000 tons.

The Castelnuovo group of Societa' Valdarno has increased production in anticipation of a winter demand. All the fuel will however have to be transported by road.

Pietrafitta mine has suspended production owing to the impossibility of transporting their accumulated stocks. The branch railway line from Ellera to the mine should be completed during August.

(iii) Other Solid Fuel - Italy

The anthracite mine at La Thuile will have produced about 4,000 tons in July. The low production as compared with the normal output is due to the dispersal of the normal workers near the end of the campaign and to the inexperience of new recruits. The normal workers are drifting back slowly.

(iv) Metal Mines - Sardinia

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The metal mines in Sardinia continue on a maintenance basis. Instructions have been received by the Mining Officer in Sardinia to place contracts for 2033 tons of paint pigments, for delivery to British Ordnance Paint Factory - Naples - during a nine months period.

(v) Mainland Metal Mines

Mercury: The Carpine Sicle mine is producing at the rate of about 500 bottles per month, this is half the potential production.

Abetina mine of Soc. Argus is expected to commence production during August.

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The estimated production of all lignites for July is 65,000 tons.

The xiloid lignites of the Leffe Basin in Bergamo province were inspected during the month. The deposits were developed during the war and are of much greater potential value than had been expected. On the other hand due to their development in abnormal conditions the methods of working are uneconomical and the mines are badly laid out. The contribution of these mines to the total in the above paragraph is 9,000 tons.

The Castelnuovo group of Societa' Valdarno has increased production in anticipation of a winter demand. All the fuel will however have to be transported by road.

Pietrafitta mine has suspended production owing to the impossibility of transporting their accumulated stocks. The branch railway line from Ellera to the mine should be completed during August.

(iii) Other Solid Fuel - Italy

The anthracite mine at La Thuile will have produced about 4,000 tons in July. The low production as compared with the normal output is due to the dispersal of the normal workers near the end of the campaign and to the inexperience of new recruits. The normal workers are drifting back slowly.

(iv) Metal Mines - Sardinia

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(v) Mainland Metal Mines

Mercury: The Carpino Sisle mine is producing at the rate of about 600 bottles per month, this is half the potential production.

Abetina mine of Soc. Argus is expected to commence production during August.

Abbadia San Salvatore mine is maintaining production at 2,000 bottles per month.

Pyrites: Niccioleta mine is ready to resume production. Production at Boccheggiano mine was 1550 tons for June. That for July is not yet to hand.

Pumping is proceeding at the remaining pyrites mines.

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Iron: The iron mines of Northern Italy were visited during the month.

Cogne mine (magnetite) is producing at the rate of 120 tons per day and stocks amount to about 87,000 tons.

No work is proceeding in any of the siderite mines of the Bergamo-Brescia field. Stocks divided among some 18 mines are 23,000 tons of crude and 48,000 tons of calcined ore.

(vi) Sulphur Division

Lt. Comdr. Pollard, Chief of the Sulphur Division, is visiting Northern Italy to set up a procedure for the distribution of sulphur in the Northern Regions.

Production and shipment data for Sicilian mines for the month of June were as follows:

	Metric Tons
On hand 1 June 1945	6380
Production June	4235
Shipped from Mines	6382
On hand 30 June	4233

The strike of the Sicilian sulphur mines was settled on 9 July.

June production for the mines in the Avellino area was:

Crude fused sulphur	662 tons
Ground ore (33% S)	2229 "

Reports have not been received from the Calabrian mines.

Cabernardi mine is ready for operation but is awaiting electric power.

(vii) Supplies

Receipts of imported supplies have increased during July, but the bulk of maintenance supplies on requisition for coal and sulphur mines have not yet been received.

Local procurement of supplies is progressing, and is being carried out by the individual mining companies with the help of Mining Division. In many cases, however, the Italian Companies are slow to take action in opportunities.

The shortage of blasting fuse has been somewhat alleviated

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The shortage of blasting fuse has been somewhat alleviated during the month by arrivals from imported sources, and there is now sufficient to carry the more essential types of mining until the end of 1945. By that time it is expected that local production of explosives supplies will be adequate for all mining.

7. PHARMACEUTICALS

During the month of July conferences were held with the head of the Comitato Chimica e Gomma and the members acting for the Pharmaceutical Section thereof. The Comitato Chimica e Gomma is divided into 16 subdivisions. The 3 members who are acting for the Pharmaceutical Section have been elected at a meeting called by the free Association of Chemical Manufacturers. The

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following information was gained as a result of the conferences:

(a) The Head of the Comitato appears to have too large a job for one man, particularly since he occupies himself with detail work of the 16 subdivisions. The detail work is tremendous, as can be appreciated by the fact that there are some 480 pharmaceutical plants alone under his jurisdiction. It would appear that he could render a much better service to his country if he confined himself to formulation of policy and planning on a broad scale.

(b) In accordance with the PLAN FOR THE CONTROL OF THE MANUFACTURE AND SALE OF PRODUCTS OF NORTHERN ITALY, published by A.C. on 9 July 1945, the Head of the Comitato controls the flow of raw materials to and between plants of the pharmaceutical industry. Actual allocation to the pharmaceutical manufacturers are being made by the three members who are acting for the Pharmaceutical Section. It was evident that these members were not capable of fulfilling this responsibility. Raw materials are in extremely short supply and allocations were being made without sufficient data as to either use, availability or plant facility.

(c) In a number of instances allocations made by the Comitato Chimica e Gomma have been disregarded upon presentation by the consumer to the manufacturer (particularly if the consignee had a small plant and the manufacturer a large plant).

It was suggested to the Comitato Chimica e Gomma that a more democratic type of organisation could be established within the frame work of the Comitato. In brief a free association of pharmaceutical manufacturers could be formed much as has been done in Rome. This free association would be charged with the detail work of making allocations and pass these allocations on to the Comitato for final approval. In this way the Head of the Comitato and the three members of the Pharmaceutical Section would be relieved of the job they are now not capable of performing. Also the individual pharmaceutical manufacturer would have a voice in the allocations of materials in very short supply.

Independent contact with a number of pharmaceutical manufacturers of the North disclosed that they were dissatisfied with the present organisation of the Comitato Chimica e Gomma and also that they were dissatisfied with the method of making allocations now in force. On the contrary their reaction was extremely favourable to the proposed plan of para. 2. The most consistent complaint was the domination possible under present procedure over the industry by the few big concerns. This becomes more evident if one considers that the three members of the Pharmaceutical Section represent respectively: 10 large plants, 120 medium plants, and 350 small plants. Thus approximately one fourth of the number of plants have a two third vote in the making of the allocations and can vote down any or all requests by the small plants. In fact it appeared that the representative of the large plants exerted undue influence in proportion to his vote.

It is suggested that the foregoing be called to the attention of the Italian Government for such action as they deem appropriate.

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It is suggested that the foregoing be called to the attention of the Italian Government for such action as they deem appropriate.

8. MONOPOLIES

(a) Matches.

Increase of ration

W.e.f. 1 August the ration of 50 matches per person per month has been increased to 100 for Southern and Central Italy including Sardinia. In Sicily rationing has been abolished with effect from the same date. This has been done in view of the fact that the two small match fac-

tories located in Sicily, in spite of their adherence to the Consorzio, since the liberation of Sicily have not turned over their production to this organisation, having sold it to the population at black market prices.

Supply to A.F.I.

The S.A.F.F.A. Match Factory of Milan signed a contract with A.F.I. for the supply of 20 million boxes - 1,000,000,000 wooden (safety) matches, at the monthly rate of 4,000,000 boxes monthly commencing from 1 August 1945. Against this supply the S.A.F.F.A. had been given by the Committee for Chemicals and Rubber an extra allocation of 11,500 kg. paraffin wax at a special price of L. 30 per kg. This enabled S.A.F.F.A. to reduce the price to 1 Lira per box.

Exportation

The S.A.F.F.A. has from the current production an actual surplus of 2,000,000,000 matches per month available for export. Efforts are being made with a view to contact foreign countries which might be interested in the purchase of Italian produced matches. It is evident that export will depend mainly on the availability of transport facilities.

(b) Tobacco

Cigarette Paper Situation

The Isola del Liri plant, after having overcome various difficulties, on 30 July started production of cigarette paper which previously was scheduled for 15 June 1945.

The cigarette paper plant located at Serravalle di Sesia was given hemp rags for the manufacture of this item. The most important plant at Fredano after setting up machinery and receiving allocation of hemp rags and other manufacturing materials, is scheduled to go into production during the first week of August.

The cigarette paper requirement of the State Monopoly for the present reduced production is now fully covered.

Requisition of cigarette manufacturing machines.

The short supply of cigarettes is due to the lack of manufacturing machines, a great number of which have been destroyed by war action. With a view both to replacing in some part the lacking machinery and increase production, the State Monopoly has submitted a demand to the Ministries of Finance and Treasury for the authorisation to requisition in U.S.A. six modern "Standard" machines for cigarette making.

(c) Salt

This item is very short in Northern Italy particularly for industrial uses. This is due only to the shortage of transport facilities as [illegible] quantities of salt are available in Southern Italy, Sicily and

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(c) Salt

This item is very short in Northern Italy particularly for industrial uses. This is due only to the shortage of transport facilities as enormous quantities of salt are available in Southern Italy, Sicily and Sardinia. Efforts are being made to obtain allocation of more wagons and ships for this purpose.

(d) Extension of the jurisdiction of the State Monopoly to Northern Italy

In accordance with recommendations of this headquarters the tobacco factories located in Northern Italy have been turned over to the Administration of the State Monopoly in Rome (w.e.f. 22 June).

As a result the Monopoly industries of all Italy are united under the jurisdiction of the Italian Government.

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9. RUBBER

(i) Transportation has been arranged for to return the confiscated and hidden machinery of the S.A.I.G.S. synthetic rubber production factory at Ferrara. This factory expects to be in condition to produce 650 tons per month of synthetic rubber, (Buna S, Buna SS and latex) within two months after receiving the machinery. This production is about 1/2 of Italy's needs for total production and is estimated to be sufficient for her domestic needs at present.

(ii) Nothing further of importance has developed in the tyre production field as no material has arrived as requisitioned. Pirelli reports that they have no tyres for the new trucks they are producing.

(iii) Salvage is being collected in large amounts for the production of reclaimed rubber. Reclaimed rubber is now available for sale from the Pirelli Co., Rome. Bids to be submitted to Industry Sub-Commission, Rubber Division, HQ AC.

(iv) Arrangements are being completed for the de-requisitioning of the Pirelli Tyre Repair Plant at Via Assisi 41, Rome. Pirelli will undertake contract for work necessary for A.F.H.Q. This work is incidental to the total output and will not noticeably affect civilian usage. This is a great obstacle removed because the Via Assisi plant is the largest tyre repair plant in Italy and a key to the Rome branch of Pirelli. Derequisitioning began in December, 1944.

(v) With the exception of S.A.I.G.S. (para(i)), all factories are in condition to produce at pre-war rates. Production is held up only by the lack of raw material. The survey of all small and large industries using rubber will be completed in August. A final report will then be submitted with distribution to all concerned. This will then be all that can be said and done by A.C. The next action remains with the normal commercial supply channels for raw material. From then on the entire industry can function under the Local Government or in fact by the industries through normal trade relations.

10. STEEL

There has been a sharp decline in the tonnage of rolled steel bid by military consumers during the month. Consequently it has been for the first time possible to satisfy most of the requirements of the I.S.A., Public Works and Utilities Sub-Commission and Commerce Sub-Commission. Some of the items demanded cannot be rolled in this part of the country, but some of the Northern Rolling Mills are equipped to deal with heavier sections.

A breakdown at the Terni Section Rolling mill was almost completely offset by rolled steel stocks which were made available at Ilva, Terre and Giovinezza.

The Ministry of Industry, Commerce has displayed a certain

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A prohibition at the Terni Section Rolling mill was almost completely offset by rolled steel stocks which were made available at Ilva, Torre and Giovinazzo.

The Ministry of Industry & Commerce has displayed a certain initial shyness in handling the burden of responsibility for provisioning and movement of materials, but it is thought that once they get used to the idea they should at least achieve the desired object of keeping the Steelworks in operation. Steel releases have been made for the last time by this office and in future the Ministry of Industry and Commerce will assume complete responsibility for that function also.

Close liaison between Il Comitato Industriale della Siderurgia of Milan and its Rome equivalent, Ufficio Siderurgico di Collegamento has resulted in the preparation of a Steel Plan for all Italy. This work was done under the supervision of this Sub-Commission. The plan aims at the production

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of 563,400 tons of steel during the seven months September 1945 to March 1946 and thereafter at the rate of 1 million tons per annum. The steel will be used in Italian industry and public works and particularly in the rebuilding of Italy and transport system.

It is estimated that the plan will give employment to 500,000 people in the steel and allied industries.

A copy of the plan is attached to this report as Appendix 'B'.

11. TEXTILES

(a) General

In view of the fact that Northern Italy Industrial Council has only been formed during the last few days, no information as to the present production of the textile plants in the North is yet available.

It is assumed, however, that in consequence of the lack of raw materials, very few plants are working and on a very reduced scale.

(b) Cotton

15,000 bales of cotton which were due in Italy during the month of July and were destined for the Northern cotton industry, have not yet been received though this HQ has urged, on several occasions, their early shipment.

It is reported from all the Northern regions that the lack of raw materials worsens daily the employment situation and the financial position of the firms which are obliged by law to pay a high percentage of the wages of the workers without having any production.

The production of cotton goods of the cotton mills south Spezia - Rimini line is at a standstill as appears from the following table:

Ser. N.	Cotton Firms	Production June			Remarks
		Yarn (Kgs)	Sewing Thread (Kgs.)	Piece Goods (Mts)	
1.	Manifatture Cotoniere Meridionali - Naples.	120890	-	908268	-
2.	Salerno Area	-	-	100000	Yarn shortage
3.	Umbria Filatura di Spoleto	60000	-	-	Majority of

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2.	Salerno Area	-	-	100000	Yarn shortage
3.	Umbria Filatura di Spoleto	60000	-	-	Majority of yarn supplied to Ministry of Marine
4.	Piaggione - Lucca	50000	-	-	-
5.	Filatura di Villa Cortese - (Milano)	30000	-	-	-
6.	Cantoni Coats, Lucca	60000	-	-	-
7.	Cantoni Coats, Lucca	-	50000	-	Part of production of serial 6

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Ser.N.	Cotton Firms	Production June Yarn (Kgs)	Sewing Thread (Kgs)	Piece Goods (Mts)	Remarks
8.	Areas - Naples Lucca-	-	14000	-	-
9.	Mattioli & Miscellaneous Small Spinners	10000	-	-	-
	TOTAL	330890	64000	1008268	-

(c) Wool

The lack of raw materials is also very serious in the woollen industry, and though there is a small availability of wool of local production (1,000,000 kgs. to date) which will be worked by the Northern woollen manufacturers on behalf of the Italian armed forces, and of rags, the requirements of this industry can only be met by imports. To this end requisitions have been placed by this Sub-Commission and 1,500 tons of wool are expected to arrive during the month of August.

Industry Sub-Commission, Textile Division, has taken the necessary action with the Italian Government to obtain the allocation of the Sardinian wool to the Northern woollen industry. Though this wool has never been used by the textile industry in view of the fact that it was more suitable for mattresses than for spinning, the manufacturers are willing to mix it with shoddies and cotton wastes in order to overcome to some small extent the lack of raw materials.

The production of the woollen centre of Prato has increased from 50,000 to 60,000 mts. of cloth per day.

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SECTION III - PERSONNEL

(a) Appointment of Acting Director, Industry Sub-Commission.

Announcement is made of the appointment of Lt. Col. A.H. Glendinning, 73351, R.E. (B), as Acting Director, Industry Sub-Commission vice Lt. Col. W.J. Maskrey, 169341, RAOC (B) reassigned.

(b) Changes in Personnel.

The following changes in personnel occurred during July:

Release under age/service Group

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Release under age/service Group

Capt. J.E.M. Bury, 155340 R. Sigs, Venezia Region.

Assignments or Re-assignments.

Lt. Col. H.J. Maskrey assigned O.C. Northern Section (Milan).
Major E.A.T. MacDermott " 2 i/c " " "
Major S.L. Goldman, M.D.F. - Textile Division this HQ
Major G.F. Hatch from Sardinia to Mining Division this HQ

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Capt. J.T. Wright returned to A.F.L.R.S.
Capt. D.B. Roberts to Piemonte Region.
Mr. G.H. Meredith, British Civilian, returned to U.K.
Capt. Amoore to Piemonte Region.
Capt. J. Davies on Loan from A.F.L.R.S. this HQ.
Major W.A.K. Finlayson 37796 RA Textile Divison and assigned to Milan Office.

Hospital Discharge

Major G.F. Hatch, FAC, 221414, discharged 135 Gen. Hospital on 27 June RT HQ Allied Commission Austria same date.

Officers due for release during September.

Lt. Col. A.H. Glendinning, Acting Director.

The following list is present Establishment.

Lt. Col. A.H. Glendinning, OBE, (B) Acting Director (on loan from AFHQ)
Major Charles Fewings (B) Coordination Officer (on loan from AFHQ)
Major A. MacNaughton-Wright (B) Executive Officer
Major J. Rosenbaum (A) Div. II Organic Chemicals
Major R.C.D. Boger (B) Div. III Engineering (on loan from AFHQ)
Major A. Habra (A) Div. III Electrical
Lt. Comdr. J.G. Pollard (A) Mining Division (Sulphur Section)
Major S.L. Goldman (UDF) Textile Division
Major G.F. Hatch (B) Mining Division
Capt. D.S. Kingery (A) " "
Capt. A.F. Radcliffe (B)" "
Capt. R.B. Bullock (A) Rubber Division
Capt. R.W. Hardy (B) Div. III Engineering (on loan from AFHQ)
Capt. N.R.L. MacDonald (B) Coordination Division
Capt. J. Davies (B) Coordination Division (on loan from AFHQ)
Lt. Louis Mohr (A) Div. II Food Processing
Lt. F.N. Spencer (A) Mining Division
W/O H. Disco (A) Mining Division
Mr. V. Borkovich (A) Civilian, Div. I Chemical
Mr. S.D. Broetzkoos (A) " Div. III Mechanical Engineering
Mr. S. Lent (A) Civilian, - Engineering Div. III
Mr. H.R. Whitehead (A) Civilian, Textiles Div. IV
Mr. W.S. Backhouse, (B) " Div. Hemp Section

Northern Office Milan

Lt. Col. W.J. Maskrey (B) O.C.
Major E.H.H. MacDermott (B) due for release
Major W.A.K. Finlayson (B) 27796 R.A.

Public Region

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Capt. J. Davies (B) Coordination Division (on loan from AFHQ)
Lt. Louis Mehr (A) Div. II Food Processing
Lt. F.N. Spencer (A) Mining Division
W/O H. Disco (A) Mining Division
Mr. V. Porkovich (A) Civilian, Div. I Chemical
Mr. S.D. Brootzkoos (A) " Div. III Mechanical Engineer
Mr. S. Land (A) Civilian, - Engineering Div. III
Mr. H.R. Whitehead (A) Civilian, Textiles Div. IV
Mr. W.S. Backhouse, (B) " Div. Hemp Section

Northern Office Milan

Lt. Col. W.J. Maskrey (B) O.C.
Major E.R.H. MacDermott (B) due for release
Major A.W.K. Finlayson (B) 27796 R.A.

Emilia Region

Major H.D. Bradbury (A) Hemp Division
Capt. S. Laidlaw (B)
Lt. G.E.J. Benn (B)
Mr. H. Thorewood (B) Hemp Division

Liguria Region

Major K.C. Wilson, (B) Chief Industry Officer
Major A.W. Haig (B) due release
Capt. T.L. Corwin (A)
Lt. K. McLeod (B)

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Piemonte Region

Major H.G. Reid (B) Chief Industry Officer, due release Aug.
Capt. J. Bender (B)
Capt. D.B. Roberts (A)
Capt. J.F.S. Amoore (B) 255667 Int. Corps

Lombardia Region

Major A.C. Lister (B) Chief Industry Officer, due release Aug.
Capt. T.G. Elliott (B)
Capt. A.R. Penrilly (B)
Mr. R.C. Maree (B) Hemp Section

Venezia Region

Major W.E. Mydans (A)
Capt. J.E.M. Bury (B)

Sardinia

Major M.A. Matthews (A) Mining

2 Incls.
Appendices "A" & "B"

A. H. GLENDINNING,
Lt. Colonel,
Acting Director,
Industry Sub-Commission

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Venezia Region

Major W.E. Mydans (A
Capt. J.E.M. Bury (B

Sardinia

Major M.A. Matthews (A) Mining

2 Incls.
Appendices "A" & "B"

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Industry Sub-Commission

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APPENDIX 'A' TO MONTHLY REPORT FOR JULY 1945 - INDUSTRY SUB-COMMISSION

MINUTES OF MEETING OF C.I.A.I. - 30 July 1945

PRESENT:

Sig. G. Gronchi	-	Minister of Industry.
Sig. Lombardi	-	Under Secretary of State (Industry & Commerce).
Lt.Col. W.J. Mashrey	-	Officer in Charge, Northern H.Q., Industry Sub-Commission.
Maj. E.R. MacDermot	-	Deputy Officer in Charge, Northern HQ., Industry Sub-Commission.
Prof. R. Tremelloni	-	Central Industry Officer, Milan.
Avv. DeBarbieri	-	Representing Liguria Region.
Dott. Geremia	-	" Venezia "
Ing. Maudenti	-	" Emilia "
Dott. Morandi	-	" Lombardia "
Sig. Cermuschi	-	" Labour

1. The opening meeting of the North Italy Industrial Council was held at the Ufficio Centrale dell'Industria, Via San Sepolcro 2, at 1000 hours on 30 July 1945.

2. Minister Gronchi opened briefly with a resume of the attempts which had been made by the Italian Government to persuade AFHQ and AC to consider North Italy as an economic unit instead of dividing it into certain self-contained Regions. The basic plan for the Control of the Manufacture and Sale of Industrial Products as outlined in the Chief Commissioner's letter 1.00/ES, dated 9 July 45 might be considered as a result of these negotiations.

3. The representatives of the various regions, names as above, then presented their credentials to the Minister.

4. Prof. Vittorio Valletta, nominated by Regional Commissioner of Piemonte, was absent.

5. The Minister then read through the basic directive covering the functions of the Industrial Committees and the North Italy Industrial Council. Several minor points of procedure were discussed including the size of the technical staff which would be required to assist the Council in screening the plans of the Industrial Committees, and disciplinary action to be taken against firms ignoring the directives of the Council.

6. A suggestion that an additional member of the Industrial Committee be co-opted to represent the Confindustrial was made and the Minister stated that it would be necessary to raise the matter officially through the Chief Commissioner.

7. It was decided to have weekly meetings every Monday and Regional Representatives were instructed to propose to their own Regional Commissioner the names of deputies who could take their places should sickness or other reasons [illegible]

Avv. DeBarbieri	- Representing	Ligurian Region.
Dott. Geromin	- "	Venezia "
Ing. Maudenti	- "	Emilia "
Dott. Morandi	- "	Lombardia "
Sig. Cermuschi	- "	Labour

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7. It was decided to have weekly meetings every Monday and Regional Representatives were instructed to propose to their own Regional Commissioner the names of deputies who could take their places should sickness or other reasons prevent their attendance. It was considered that these Deputies should be of the same political party as the representatives themselves.

8. Minister Gronchi announced that he would himself undertake the Presidency but that in the event of his absence Prof. Tremelloni would act for him. Prof. Tremelloni in any case would always be in Milan should it be necessary to call emergency meetings.

9. Lt. Col. Mabrey pointed out that an immediate establishment of a properly qualified technical staff capable of checking quickly, accurately and impartially the demands of the Committees was necessary. Min-

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ister Gronchi was in agreement. Five members would be appointed and the names will be communicated to Lt. Col. Maskrey.

10. Minister Gronchi pointed out that it was opportune that Committees, instead of being directed as they are now by a Commissario, should elect a Giunta composed of 3 to 5 members. Each of them in turn would be the President of the Committee and to ensure the continuity in the action of the Committee, it would be necessary to appoint an office Director for each Committee.

11. Prof. Tremelloni stated that the Commerce Organisation had requested to be represented in the Committees. The question will be examined separately by each Committee. In any case, they may be represented in the Consulta of each Committee. Regarding establishment of new plants, it was decided that it will not be necessary to obtain an authorisation from the Ministry. The persons who intend to set up a new plant must notify the Minister of their intention and it was understood that if the Minister did not object within a reasonable length of time, say 30/40 days, they could go ahead in the establishment of the plant.

12. A new commission for the Industrie Edile (Building Construction) has been set up, as this industry was not represented on any committee. It was not deemed necessary to appoint a special Committee for this industry for the additional reason that the industry itself is a consumer of raw and finished materials and not a producer of such.

13. It was decided that the Comitato Elettricita and Comitato Acqua e Gas should be amalgamated.

14. There being no further matters to discuss, the meeting closed at 1210 hours.

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Appendix "B" to Monthly Report for July 1945

Ref.AC/5565/IND 21 July 1945

PROGRAMMA SIDERURGICO ITALIANO

Settembre 1945 - Marzo 1946

Preparato dal : Comitato Industriale della Siderurgia per l'Italia Settentrionale in unione coll'Ufficio Siderurgico di Collegamento per l'Italia Centro-Meridionale.

Approvato da : Ministero dell'Industria e del Commercio.

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Firmato .....Ministro

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CONTENTS

Pages 1, 2, 3, 4.	Foreword
Pages 5 & 6	Pig Iron Production in Electric Furnaces.
Pages 1, 8 & 9	Steel Production in Electric and Lignite Burning Furnaces.
Pages 6, 7, 8, 9, 10, 11, & 12 & 13	Raw Materials to be Imported.

CONTENUTO

Pagine 1, 2, 3, & 4	Processa
Pagine 5 & 6	Produzione Ghisa in fornaci elettriche.
Pagine 1, 8 & 9	Produzione di acciaio in fornaci elettriche ed a Lignite.
Pagine 6, 7, 8, 9, 10, 11 & 12 & 13.	Materie prime da importarsi.

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Pages 1, 2, 3, 4.	Foreword
Pages 5 & 6	Pig Iron Production in Electric Furnaces.
Pages 1, 8 & 9	Steel Production in Electric and Lignite Burning Furnaces.
Pages 6, 7, 8, 9, 10, 11, & 12 & 13	Raw Materials to be Imported.

CONTENUTO

Pagine 1, 2, 3, & 4	Premessa
Pagine 5 & 6	Produzione Ghisa in fornaci elettriche.
Pagine 1, 8 & 9	Produzione di acciaio in fornaci elettriche ed a Lignite.
Pagine 6, 7, 8, 9, 10, 11 & 12 & 13.	Materie prime da importarsi.

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FOREWORD

This production Programme has been prepared by Il Comitato Industriale della Siderurgia for North Italy and Ufficio Siderurgico di Collegamento under the auspices of Headquarters, Allied Commission.

The Program is based on the maximum use of electric power and lignite, and the minimum use of imported coal. It is a plan for the production of 563,400 tons of steel during the seven months, September 1945 to March 1946. Production after March 1946 can continue at the rate of one million tons of steel per annum. If it is found that there will be sufficient coal available in 1946 to start blast furnaces and operate coal burning Siemens furnaces, these figures can be increased in accordance with the coal available. This steel is for use in Italian industry and public works, and in particular in the rebuilding of Italy's transport system. It is estimated that it will give employment to 500,000 people in the steel and allied industries.

The efficiency of the Program is entirely dependent on the following materials being available by the end of August; these are required for September production.

Coking coal	Tons	30,000
Coal for gas generators (Splint) including coal for production of refractories.	"	34,000
Anthracite for electrodes (Soederberg)	"	500
or Soederberg paste	"	600
Electrodes Acheson - 14 inches dia.	"	700

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With regard to the supply of coal for coke ovens, this should provide for the importation of at least 1,500 tons of very good coal with low ash content for production of coke necessary for electrode

co di Collegamento under the auspices of Headquarters, Allied Commission.

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manufacture.

If these materials are not available before the 1st of September then the Program will fail because the production is dependent on the electrical smelting of iron-ore, which can only be carried out during the summer months due to shortage of electricity from December until March. The loss of September pig-iron production, due to lack of materials mentioned above, will mean the loss of 200,000 tons of steel which cannot be replaced until after April 1946; or, alternatively, will mean the use of 200,000 tons of coke in blast furnaces which it has not been planned to start.

A. H. GLENDINNING
Lt. Colonel,
Acting Director,
Industry Sub-Commission

P R E M E S S A

Questo programma di produzione è stato preparato dal Comitato Industriale della Siderurgia per l'Italia Settentrionale e Ufficio Siderurgico di Collegamento, sotto gli auspici del Quartiere Generale della Commissione Alleata.

Il programma è basato sul massimo impiego di forza elettrica 1077
e lignite, ed il minimo impiego di carbone importato.

E' un piano per la produzione di 563,400 tonnellate di acciaio durante i sette mesi, Settembre 1945 al Marzo 1946.

La produzione dopo il mese di marzo 1946 può continuare in ragione di un milione di tonnellate di acciaio all'anno. Se si ritiene che vi sarà sufficiente carbone disponibile nel 1946 per riprendere

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Il programma è basato sul massimo impiego di forza elettrica e lignite, ed il minimo impiego di carbone importato. 1677

E' un piano per la produzione di 583,400 tonnellate di acciaio durante i sette mesi, Settembre 1945 al Marzo 1946.

La produzione dopo il mese di marzo 1946 può continuare in ragione di un milione di tonnellate di acciaio all'anno. Se si ritiene che vi sarà sufficiente carbone disponibile nel 1946 per riprendere

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l'attività degli alti forni e operare fornaci Siemens a carbone, queste cifre possono essere aumentate in conformità al carbone disponibile. Questo acciaio è per uso dell'Industria Italiana e Lavori Pubblici ed in particolare per la ricostruzione del complesso dei trasporti Italiani. E' previsto che tale programma darà lavoro a 500,000 persone nella siderurgia e industrie alleate.

L'efficienza del Programma dipende interamente sui seguenti materiali disponibili per la fine di agosto; questi sono richiesti per la produzione di settembre.

Coke	Tonn.	30,000
Carbone per gassogeni, comprendente carbone per la produzione dei refrattari.	"	34,000
Antracite per elettrodi	"	500
oppure pasta per elettrodi Soedorberg	"	600
Elettrodi Acheson - Diam. 14 pollici	"	700

Riguardo alla fornitura di carbone per le cokerie, bisognerebbe provvedere alla importazione di almeno 1,500 tonnellate di ottimo carbone a basso contenuto di cenere, per la produzione di coke necessario per la fabbricazione degli elettrodi.

Se questi materiali non saranno disponibili prima del primo settembre, allora il programma fallirà perchè la produzione dipende sulla fusione del minerale di ferro, la quale può soltanto effettuarsi durante i mesi estivi a causa della scarsità di energia elettrica dal dicembre a marzo.

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La perdita della produzione di ghisa per il mese di settembre a causa della mancanza dei materiali sopra menzionati, significherà la perdita di 200,000 tonnellate di acciaio che non potrà essere sostituito fino a dopo l'aprile 1946; oppure, alternativamente, significherà l'impiego di 200,000 tonnellate di coke in alti forni la cui apertura non è stata contemplata.

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1° PROGRAMMA

2^ Edizione

PRODUZIONE GHISA 1945 E 1° TRIMESTRE 1946 - PESI IN TONNELLATE
PRODUCTION OF PIG IRON 1945 AND FIRST QUARTER OF 1946 - WEIGHT

	Produzione 4 mesi 1945 Production 4 Month 1945					194
	Settembre	Ottobre	Novembre	Dicembre	Gennaio	Febbr
Forni elettrici (Electric furnaces)						
Forni Chiusi (Closed furnaces)						
Lombarde Falck	9.000	7.000	2.500	0	0	0
Breda	5.000	5.000	2.500	0	0	0
Fiat	5.000	5.000	2.500	0	0	0
Caleotto	1.500	1.500	750	0	0	0
Accorsi	1.500	1.500	750	0	0	0
Forni Aperti (Open furnaces)						
Cogne	4.500	4.500	4.500	0	0	0
I.N.A.	1.500	1.500	700	0	0	0
Cravetto	1.000	1.000	1.500	0	0	0
Cobianchi	500	500	500	0	0	0
Altri - Other (See next page)	2.900	2.900	1.500	0	0	0
	32.400	30.400	17.700	0	0	0

Questo programma può essere aumentato se l'energia elettrica è disponibile da D
(This programme can be increased if Electric Power is made available from Dece

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PRODUZIONE GHISA 1945 E 1° TRIMESTRE 1946 - PESI IN TONNELLATE
PRODUCTION OF PIG IRON 1945 AND FIRST QUARTER OF 1946 - WEIGHT IN TONS

	Produzione 4 mesi 1945 Production 4 Month 1945				1946			
	Settembre	Ottobre	Novembre	Dicembre	Gennaio	Febbraio	Marzo	TOTALE
ici rnaces)								
aces)								
ck	9.000	7.000	2.500	0	0	0	0	18.500
	5.000	5.000	2.500	0	0	0	0	12.500
	5.000	5.000	2.500	0	0	0	0	12.500
	1.500	1.500	750	0	0	0	0	3.750
	1.500	1.500	750	0	0	0	0	3.750
es)								
	4.500	4.500	4.500	0	0	0	0	13.500
	1.500	1.500	700	0	0	0	0	3.700
	1.000	1.000	1.500	0	0	0	0	3.500
	500	500	500	0	0	0	0	1.500
	2.900	2.900	1.500	0	0	0	0	7.300
e)	32.400	30.400	17.700	0	0	0	0	80.500

mma può essere aumentato se l'energia elettrica è disponibile da Dicembre a Marzo
me can be increased if Electric Power is made available from December to March).

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Produzione ghisa - (production of pig iron)

Ditte minori - (small firms)		
Ceretti (produz. mensile - Monthly production)	T.	250
Forno del Dezzo (a carbone di legna-charcoal)	"	200
Galtarossa	"	500
Montecatini	"	200
Italghisa	"	500
Meroni - Erba	"	150
Meroni Settimo	"	200
S. Eustacchio	"	400
Tassara Breno	"	500
	T.	2.900

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ANNOTAZIONI SU RICHIESTE DI GHISA
(Notes on Pig Iron requirements)

1) Ghisa prodotta in questo periodo con forni elettrici (Pig Iron produced during this period with Electric furnaces)	
2) Ghisa consumata nella produzione dell'acciaio in forni elettrici (Pig Iron consumed in production of steel in electric furnaces)	37.220
3) Ghisa consumata nella produzione dell'acciaio in fornaci Open-Hearth (Pig Iron consumed in production of steel in Open-Hearth furnaces)	47.800
4) Ghisa consumata per la produzione dell'attrezzatura come lingotti, modelli, cilindri (Pig Iron consumed in production of equipment such as ingots, moulds, rolls)	13.000
5) Totale di ghisa richiesto (Total Pig Iron required)	98.020
6) Deficienza di ghisa (Pig Iron deficiency)	

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U RICHIESTE DI GHISA
Iron requirements)

	Tonn.	
otta in questo periodo con forni elettrici produced during this period with Electric furnaces)		80.500
mata nella produzione dell'acciaio in forni elettrici onsumed in production of steel in electric furnaces)	37.220	
mata nella produzione dell'acciaio in forneci Open-Hearth onsumed in production of steel in Open-Hearth furnaces)	47.800	
mata per la produzione dell'attrezzatura come lingotti, lindri onsumed in production of equipment such as ingots, lls)	13.000	
isa richiesto Iron required)	98.020	98.020
di ghisa fficiency)		17.520

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1° PROGRAMMA
2^ EDIZIONE

PRODUZIONE ACCIAIO CON FORNI ELETTRICI
PRODUCTION OF STEEL IN ELECTRIC FURNACES

	Settem.	Ottobr.	Nov.	Dic.	Gen. 1946	Febb.	Marz.	TOTALE
Acc.Bolzano	1.800	1.800	1.800	1.800	1.800	1.800	1.800	12.600
Acc.Beltrame	400	400	200	200	200	200	200	1.800
Calcotto	1.200	1.200	1.000	1.000	1.000	1.000	1.000	7.400
Carvalito	1.800	1.800	1.000	1.000	1.000	1.000	1.000	7.600
Arb.Ruhrstahl	10.000	10.000	5.000	5.000	5.000	5.000	5.000	45.000
Acc.Modena	—	—	—	—	—	—	—	—
Acc.Pugliesi(Bari)	500	500	500	500	500	500	500	3.500
Ansaldi	750	750	500	500	500	500	500	4.000
Breda	4.000	4.000	3.000	3.000	3.000	3.000	3.000	23.000
Bruno	—	—	—	—	—	—	—	—
Cerretti	1.000	1.000	500	500	500	500	500	4.500
Cogne	4.000	4.000	3.000	3.000	3.000	3.000	3.000	23.000
Dalmine	5.000	5.000	3.000	3.000	3.000	3.000	3.000	25.000
F.I.T.	500	500	500	500	500	500	500	3.500
Ferr.Ercole	400	400	400	400	400	400	400	2.800
Acc.Crema	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
Fiat - Ferriere	4.500	4.500	4.000	4.500	4.500	4.000	4.000	30.500
Fiat - Acciaierie	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
Galtarossa	500	500	300	300	300	300	300	2.500
Ilsa	300	300	200	200	200	200	200	1.600
Ilva - Lovere	4.500	4.500	4.000	4.000	4.000	4.000	4.000	29.000
Ilva - Morghera	1.500	1.500	1.500	1.500	1.500	1.500	1.500	10.500
La Magona	—	—	—	—	—	—	—	—
Laminati Naz.	—	—	—	—	—	—	—	—
Cobianchi	1.500	1.000	1.000	1.000	1.000	1.000	1.000	7.500
Marzoli	300	300	200	200	200	200	200	1.600
Orsenigo	700	700	450	450	450	450	450	3.650
Redaelli	3.000	3.000	2.000	2.000	2.000	2.000	2.000	16.000
S.Eustacchio	2.500	2.500	1.000	1.000	1.000	1.000	1.000	10.000
Siac	3.000	3.000	2.000	2.000	2.000	2.000	2.000	16.000
Siemens	3.500	3.500	2.500	2.500	2.500	2.500	2.500	19.500
Terni	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
Tornotti	1.500	1.500	1.000	1.000	1.000	1.000	1.000	8.000
Vasto	1.000	1.000	750	750	750	750	750	5.750
Acc. Sesto	500	500	300	300	300	300	300	2.500
Zoni	400	400	300	300	300	300	300	2.300
Pescara	400	400	—	—	—	—	—	800

[illegible]	1.200	1.200	1.000	1.000	1.000	1.000	1.000	7.400
Gabetto	1.300	1.300	1.000	1.000	1.000	1.000	1.000	7.600
Acc.Falck	10.000	10.000	5.000	5.000	5.000	5.000	5.000	45.000
Acc.Modena	—	—	—	—	—	—	—	—
Acc.Pugliesi(Bari)	500	500	500	500	500	500	500	3.500
[illegible]orsi	750	750	500	500	500	500	500	4.000
[illegible]da	4.000	4.000	3.000	3.000	3.000	3.000	3.000	23.000
[illegible]ano	—	—	—	—	—	—	—	—
Corsetti	1.000	1.000	500	500	500	500	500	4.500
[illegible]ago	4.000	4.000	3.000	3.000	3.000	3.000	3.000	23.000
Dalmine	5.000	5.000	3.000	3.000	3.000	3.000	3.000	25.000
F.I.T.	500	500	500	500	500	500	500	3.500
Ferr.Ercole	400	400	400	400	400	400	400	2.800
Acc.Crema	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
Fiat - Ferriere	4.500	4.500	4.000	4.000	4.500	4.000	4.000	30.500
Fiat - Acciaierie	1.300	1.300	1.000	1.000	1.000	1.000	1.000	7.600
Gelterossa	500	500	300	300	300	300	300	2.500
Ilsa	300	300	200	200	200	200	200	1.600
Ilva - Lovere	4.500	4.500	4.000	4.000	4.000	4.000	4.000	29.000
Ilva - Morghera	1.500	1.500	1.500	1.500	1.500	1.500	1.500	10.500
La Magona	—	—	—	—	—	—	—	—
Laminati Naz.	—	—	—	—	—	—	—	—
Cobianchi	1.500	1.000	1.000	1.000	1.000	1.000	1.000	7.500
Marzoli	300	300	200	200	200	200	200	1.600
Orsenigo	700	700	450	450	450	450	450	3.650
Redaelli	3.000	3.000	2.000	2.000	2.000	2.000	2.000	16.000
S.Eustacchio	2.500	2.500	1.000	1.000	1.000	1.000	1.000	10.000
[illegible]	3.000	3.000	2.000	2.000	2.000	2.000	2.000	16.000
[illegible]ma	3.500	3.500	2.500	2.500	2.500	2.500	2.500	19.500
[illegible]rni	1.000	1.000	1.000	1.000	1.000	1.000	1.000	7.000
[illegible]rsotti	1.500	1.500	1.000	1.000	1.000	1.000	1.000	8.000
[illegible]ssa	1.000	1.000	750	750	750	750	750	5.750
Acc. Sesto	500	500	300	300	300	300	300	2.500
[illegible]osi	400	400	300	300	300	300	300	2.300
Taverara	400	400	—	—	—	—	—	800
Acc. Brescia	600	600	300	300	300	300	300	2.700
Altre minori N°27 (Other Smaller firms)	3.000	3.500	2.000	2.000	2.000	2.000	2.000	16.500
TOTALE :	167.350	[illegible]	47.700	47.700	47.700	47.200	47.200	372.200

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1° PROGRAMMA
2^ EDIZIONE

PRODUZIONE ACCIAIO TOTALE
TOTAL PRODUCTION OF STEEL

	Settembre	Ottobre	Novembre	Dicembre	Gennaio 1946	Febbraio
Con forni elettrici Elec.furn.(V.I° program tab.4)	67.350	67.350	47.700	47.700	47.700	47.200
Con forni a gas di lignite (lignite-gas furnaces)						
Terni	12.100	13.500	13.500	13.500	13.500	13.500
S.Giovanni Valdarno	2.500	2.500	2.500	2.500	2.500	2.500
Piombino	3.000	6.000	7.000	7.000	7.000	7.000
	17.600	22.000	23.000	23.000	23.000	23.000
Con forni Martin a carbone (Coal Open-Hearth furnaces)						
Giovinazzo	1.300	1.300	1.800	1.800	1.800	1.800
Torre Annunziata	2.500	2.500	4.000	4.000	4.000	4.000
	3.800	3.800	5.800	5.800	5.800	5.800
Totale complessa	88.750	93.150	76.500	76.500	76.500	76.000

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A

PRODUZIONE ACCIAIO TOTALE

TOTAL PRODUCTION OF STEEL

	Settembre	Ottobre	Novembre	Dicembre	Gennaio 1946	Febbraio	Marzo	TOTALE
rici	67.350	67.350	47.700	47.700	47.700	47.200	47.200	372.200
s di te-								
	12.100	13.500	13.500	13.500	13.500	13.500	13.500	93.100
	2.500	2.500	2.500	2.500	2.500	2.500	2.500	17.500
darno	3.000	6.000	7.000	7.000	7.000	7.000	7.000	44.000
	17.600	22.000	23.000	23.000	23.000	23.000	23.000	154.600
rtin								
rnaces)	1.300	1.300	1.800	1.800	1.800	1.800	1.800	11.600
	2.500	2.500	4.000	4.000	4.000	4.000	4.000	25.000
ta	3.800	3.800	5.800	5.800	5.800	5.800	5.800	36.600
	88.750	93.150	76.500	76.500	76.500	76.000	76.000	563.400
32								

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1° PROGRAMMA
2^ EDIZIONE

MATERIE PRIME DA IMPORTARE - RIASSUNTO
RAW MATERIALS TO BE IMPORTED

		Tonn.	
	Carbone da Coke (Coking Coal)	"	94.000
	Carbone tipo Splint (Splint Coal of good quality	"	210.000
	Antracite di qualità speciale (Anthracite of special quality)	"	4.500
	Antracite comune (Anthracite of ordinary quality)	"	18.500
+	Nafta o benzina (Diesel oil or gasoline for trucks)	"	820
	Ghisa da affinazione (Pig iron for steelworks)	"	18.500
++	Ghise speciali (Special Pig irons)	"	3.700
	Minerali di manganese (Manganese-ores)	"	7.500
	Ferroleghe (Ferro alloys)	"	2.650
	Nichel (Nickel)	"	300
	Rame (Copper)	"	100
	Stagno (Tin)	"	20
	Olii lubrificanti (Lubricating Oils)	"	1.200
	Grassi (Greases)	"	1.200
	Refrattari (Refractory materials)	"	6.300
	Elettrodi (Acheson)	"	4.200

+ Note:
Either Società Cogne or Sardinian Mines may be able to supply Anthracite for Pig Iron production. Enquiries are being made.

1069

++ Special Pig Iron for roll manufacture; type GLAZEBROOK

Analysis : - total C - 3.% (½ Graphitic ½ Combined)

Si - 1.1/1.2%

Mn - 0.5%

S-Ph - 0.03%

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	[illegible] (Coking Coal)	Tonn.	94,000
	Carbone tipo Splint (Splint Coal of good quality	"	210,000
	Antracite di qualità speciale (Anthracite of special quality)	"	4,500
+	Antracite comune (Anthracite of ordinary quality)	"	18,500
	Nafta o benzina (Diesel oil or gasoline for trucks)	"	820
	Ghisa da affinazione (Pig iron for steelworks)	"	18,500
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	Minerali di manganese (Manganese-ores)	"	7.500
	Ferroleghe (Ferro alloys)	"	2.650
	Nichel (Nickel)	"	300
	Rame (Copper)	"	100
	Stagno (Tin)	"	20
	Olii lubrificanti (Lubricating Oils)	"	1.200
	Grassi (Greases)	"	1.200
	Refrattari (Refractory materials)	"	6.300
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Declassified E.O. 12356 Section 3.3/NND No. 785017

1° PROGRAMMA
2^ EDIZIONE

MATERIE PRIME DA IMPORTARE
Raw Materials to be imported

Produzione (Production)	Sept. 1945	Oct.	Nov.	Dec.	Jan. 1946	Feb.
- Ghisa (Pig-Iron)	32,400	30,400	15700	-	-	-
- Acciaio (Steel)	88,750	93,150	76500	76500	76500	76000
Combustibili (Fuels) Note: Owing to use of Electric Smelting furnace in Sept. Oct. Nov. only coal for Coke Producers and Anthracite is required as follows:						
- Carbone da Coke (Coking Coal) -per la produzione di coke (for the production of coke)	28,000	25,000	13000	7000	7000	7000

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MATERIE PRIME DA IMPORTARE
Raw Materials to be imported

(Cifre in Tonn.)

	Sept. 1945	Oct.	Nov.	Dec.	Jan. 1946	Feb.	Mar.	TOTAL
ction)								
	32,400	30,400	16700	-	-	-	-	79,500
	88,750	93,150	76500	76500	76500	76000	76000	563,400
Electric								
ept. Oct.								
ke Producers								
uired as								
king Coal)								
coke								
of coke)	28,000	25,000	13000	7000	7000	7000	7000	94,000

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MATERIE PRIME DA IMPORTARE
Raw Materials to be imported

Produzione (Production)	Sept. 1945	Oct.	Nov.	Dec.	Jan. 1946	Feb.
- Antracite (Anthracite)						
- per la produzione della ghisa (for pig-iron production) quando non si trovino in Italia minuti di coke e antracite (should it be found impossible to obtain crushed coal or anthracite in Italy)	7,600	7,300	3,600			
- Antracite speciale a basso tenore di ceneri (Special low ash content anthracite)						
- per la fabbricazione della pasta elettrodica (for the production of Soederberg paste):						
- per forni a ghisa (for pig-iron furnace)	350	330	170	-	-	-
- per forni ad acciaio (for steel furnace)	565	560	395	395	395	395
- per forni ferroleghe (for ferro-alloy furnace)	85	90	75	75	75	75
Totale antracite (Total anthracite)	8,600	8,240	4,240	470	470	470

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MATERIE PRIME DA IMPORTARE
Raw Materials to be imported (Cifre in Tonn.)

oduction)	Sept. 1945	Oct.	Nov.	Dec.	Jan. 1946	Feb.	Mar.	TOTAL
acite)								
della ghisa								
oduction)								
ovino in Italia								
antracite								
nd impossible								
coal or								
ly)	7,600	7,300	3,600					18,500
a basso tenore								
low ash content								
zione della pasta								
n of Soederberg								
a	350	330	170	-	-	-	-	850
rnace)								
leio	565	560	395	395	395	395	395	3.100
e)								
ghe	85	90	75	75	75	75	75	550
furnace)								
	8,600	8,240	4,240	470	470	470	470	23,000

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	Sett. 1945	Ott.	Nov.	Dic.	Genn. 1946	Febbr.	Mar.	TOTALE
zzi di trasporto cars trucks)	98	102	81	84	84	84	84	620
abbricaz.cilindri rolls production)	580	620	500	500	500	500	500	3.700
al 40% ent 40% Mn) speciali	1200	1200	1000	1000	1000	1000	1000	7,500
cial steels)								
o Chromium 60%)	340	385	275	275	275	275	275	2,100
.(fe.Chrom.60%refined	24	26	20	20	20	20	20	150
(Carbon C.10%)	48	52	40	40	40	40	40	300
o tungsten)	7	8	5	5	5	5	5	40
o Molybdenum)	9	11	8	8	8	8	8	60
Vanadium)	48	52	40	40	40	40	40	300
	15	15	14	14	14	14	14	100
	3,5	4	2,5	2,5	2,5	2,5	2,5	20
bricating oils)	120	130	190	190	190	190	190	1,200
	120	130	190	190	190	190	190	1,200
y materials)	140	160	120	120	120	120	120	900
ri (Quarzite for								
	120	130	105	105	105	105	105	775
	340	360	360	300	300	300	300	2.200
Calcined)	340	360	360	300	300	300	300	2.200
(Magn.firebricks)								
r colata (tappi sedie)								
aterials for casting g and nozzle)	35	40	30	30	30	30	30	225

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	Sett. 1945	Ott.	Nov.	Dic.	Genn. 1946
Nafta o benzina per mezzi di trasporto (nafte or gasoline for cars trucks)	98	102	84	84	84
Ghise speciali p. la fabbricaz. cilindri (Special pig iron for rolls production)	580	620	500	500	500
Minerali di manganese al 40% (Manganese-Ores, content 40% Mn)	1200	1200	1000	1000	1000
Ferroleghe per acciai speciali (Ferro-alloys for special steels)					
Ferro crom. 60% (ferro Chromium 60%)	340	385	275	275	275
Ferro cromo 60% affin. (fe. Chrom. 60% refined (Carbon 0.10%)	24	26	20	20	20
Ferro Tungsteno (Ferro tungsten)	48	52	40	40	40
Ferro molibdeno (ferro Wolybdenum)	7	8	5	5	5
Ferro Vanadio (ferro Vanadium)	9	11	8	8	8
Nichel (Nickel)	48	52	40	40	40
Rame (Copper)	15	15	14	14	14
Stagno (Tin)	3,5	4	2,5	2,5	2,5
Olii lubrificanti (Lubricating oils)	120	130	190	190	190
Grassi (Grease)	120	130	190	190	190
Refrattari (Refractory materials)	140	160	120	120	120
Quarzite per refrattari (Quarzite for firebricks)	120	130	105	105	105
Cromite (Chromite)	340	360	360	300	300
Magnesite calcinata (Calcined)	340	360	360	300	300
Mattoni di magnesite (Magn. firebricks)					
Materiali speciali per colata (tappi sedie) (Special refractory materials for casting purposes (stopper plug and nozzle)	35	40	30	30	30

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	Sett. 1945	Ott.	Nov.	Dic.	Genn. 1946	Febbr.	Mar.	TOTALE
mezzi di trasporto for cars trucks)	98	102	84	84	84	84	84	620
fabbricaz.cilindri or rolls production)	580	620	500	500	500	500	500	3.700
se al 40% ntent 40% Mn)	1200	1200	1000	1000	1000	1000	1000	7,500
ai speciali pecial steels)								
rro Chromium 60%)	340	385	275	275	275	275	275	2,100
in.(fe.Chrom.60% refined (Carbon C.10%)	24	26	20	20	20	20	20	1[illegible]
rro tungsten)	48	52	40	40	40	40	40	300
rro Molybdenum)	7	8	5	5	5	5	5	40
o Vanadium)	9	11	8	8	8	8	8	60
	48	52	40	40	40	40	40	300
	15	15	14	14	14	14	14	100
	3,5	4	2,5	2,5	2,5	2,5	2,5	20
Lubricating oils)	120	130	190	190	190	190	190	1,200
	120	130	190	190	190	190	190	1,200
ory materials)								
tari (Quarzite for	140	160	120	120	120	120	120	900
	120	130	105	105	105	105	105	775
(Calcined)	340	360	360	300	300	300	300	2.[illegible]00
(Magn.firebricks)	340	360	360	300	300	300	300	2.200
er colata (tappi sedie)								
materials for casting ug and nozzle)	35	40	30	30	30	30	30	225

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HEADQUARTERS ALLIED COMMISSION

ECONOMIC SECTION

INDUSTRY SUB-COMMISSION

JUL 17 1945

MONTHLY REPORT

No. 12

JUNE 1945

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

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	5. De-requisitioning of Industrial Premises	"	2
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	2. Chemicals - 1	"	4
	3. Chemicals - 2	"	5
	4. Food Processing	"	10
	5. Hemp, Etc.	"	10
	6. Mechanical and Automotive	"	11
	7. Mining	"	12
	8. Pharmaceuticals	"	14
	9. Monopolies	"	15
	10. Rubber	"	17
	11. Steel	"	17
	12. Textiles	"	18
SECTION III	PERSONNEL	"	20

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SEE. Mm. 186

EC DIST

1 - EX COMMR

3 - PRB

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INDUSTRY SUB-COMMISSION

MONTHLY REPORT

No [redacted] 12

JUNE 1945

SECTION I - GENERAL

1. INTRODUCTION

June has not brought any outstanding developments in the industrial situation in Italy. Reports coming in from the North confirm previous information received. Much work has gone into the study of problems in North Italy, particularly with regard to the supply of raw materials and coal. In Trieste two meetings of the Joint Allied-Yugoslav Economic Committee have been held, at which this Sub-Commission was represented by Major R.C.D. Boger.

The hand-over of the steel industries to the original civilian management has now been completed.

The reduction of the list of Controlled Materials to only five items should help industry in that plants will now be able to use hitherto controlled items. Where declared items on the existing list (see SECTION I - Paragraph 3) are needed to keep a factory in production every effort will be made to have the materials allocated to AC to enable the plants to continue in operation.

2. RELATIONS WITH ITALIAN GOVERNMENT

Our relations with the Italian Government remain cordial. In the recent re-organization no change was made in the Minister of Industry and Commerce, Prof. Gronchi remaining in that office, except that Labour was separated from the Ministry.

3. ENGINEERING MATERIALS COMMITTEE - A.F.L.R. (I) B.

The 23rd meeting of the above Committee was held on 18 June 1945, under the Chairmanship of Brig. D.L. Anderson, CBE, when it was recommended that a number of items should be deleted from the Controlled List, leaving only the following :

(a) Metals - Non-ferrous

1. Solder

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(a) Metals - Non-ferrous

1. Solder
2. Tin
3. White metal for bearings

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(b) Timber

4. Standing Timber in the two areas reserved for British and American Services in Calabria.
5. Plywood.

Steel was allocated to AC to the extent of 2,900 tons sections, 1,000 tons plates, 317 tons sheets. The monthly allocation of steel by the

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Committee will be discontinued as from 1 August 1945 when bids against future production should be submitted to this Sub-Commission.

From an availability of Calcium Carbide of 1,942.3 tons AC was allocated 1,100 tons.

AC was allocated 23,200 tons of Cement out of a total allocation of 42,300 tons.

4. ELECTRIC POWER COMMITTEE - A.F.L.R. (I) B.

The 20th meeting of the above Committee was held on 23 June 1945 when it was stated that the availability of power in Southern Italy was considerably reduced due (a) to generating plant breakdown at SILA and (b) to an abnormal dry spring season which is now being felt on the rivers and reservoirs in Southern Italy. As a result it was recommended that the allocation to the CROTONE fertiliser plant should be discontinued; this was vigorously opposed by the AC representative who stated that the fertiliser requirement in Italy was tantamount to a military commitment and requested that the matter be referred immediately to the Board for a decision.

5. DE-REQUISITIONING OF INDUSTRIAL PREMISES.

The end of the war here has changed the situation considerably, as troops are moving out and premises are being vacated. This applies nearly everywhere except in essential "redeployment" areas. In addittion, the shortage of fuel and raw materials, together with the liberation of the Industrial North, means that if one plant cannot be de-requisitioned the available materials can almost certainly be used elsewhere. All officers have been informed therefore that only in the absolutely essential cases should de-requisition applications be sent to this HQ if arrangements cannot be made with Military Authorities on the spot. The Ministry has also been asked to screen individual applications most carefully.

SECTION II - INDUSTRIAL ACTIVITIES

1. BUILDING MATERIALS

Cement Production

There was a considerable decrease in the production of cement at the original plants during the month amounting to 3,000 tons. This was due in some measure to shortage of fuel. The plant at Colleferro only received 315 tons of lignite which is less than one week's supply. Guidonia received 195 tons of lignite equivalent to half a week's requirements. Production has commenced at Senigallia and production is of the 350-400 type.

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Vibo Valentia produced 1,000 tons of Clinker during the last two weeks of the month.

The plant at Pontassieve commenced production during the last week of the month the output being 120 tons.

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TABLE I

Production Figure by Plants

PLANT	TYPE		TONS	REMARKS
	350	500		
Bagnoli	1,600	—	1,600	- decrease 350
Colleferro	—	3,857	3,857	- decrease 3,022
Guidonia	—	2,870	2,870	- decrease 884
Monopoli	—	2,360	2,360	+ increase 1,410
Pontassieve	—	120	120	New production
Senigallia	300	—	300	- do -
Taranto	—	334	334	+ increase 131 two weeks figure

Total 11,441 tons an overall decrease of 1,914 tons from previous month.

TABLE II

Cement Stock at End of Month

PLANT	TYPE		
	350	500	
Bagnoli	Not Known	—	
Colleferro	—	2,899	
Guidonia	942	2,920	
Monopoli	—	2,500	Total Stock 8,791 tons.
Pontassieve	—	230	
[illegible]	300		

Bagnoli	1,600	—	1,600	- decrease 350
Colleferro	—	3,857	3,857	- decrease 3,022
Guidonia	—	2,870	2,870	- decrease 884
Monopoli	—	2,360	2,360	+ increase 1,410
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Senigallia	300	—	
Taranto	Not known		
totals	1,242	8,549	

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Bricks and Tiles

These plants are gradually going into operation using lignite for fuel if sufficiently close to the mines or wood and agricultural wastes if not.

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2. CHEMICALS - 1

Solvay Plant - Rosignano

During the month of June 6,000 tons of Sodium Carbonate (soda ash) have been produced which corresponds to 40 % of Italy's pre-war requirements. Production was limited to sodium carbonate only, due to the total lack of this product in the country. Detailed plan for regular monthly distribution of soda ash both to industries and the population has been worked out.

The monthly allocation has been established as follows:-

3,500 tons for the North.

2,500 tons for Central and Southern Italy.

The direct use of sodium carbonate as washing soda will ease, at least partly, the very difficult soap situation in the North.

Production at the Solvay plant has followed up to schedule but technical difficulties were experienced with regard to the use of lignite in the drying bicarbonate department. Adaptments are now in course in order to try to eliminate the above difficulties.

The main inconvenience at present, which may become a very serious problem in three or four weeks, is the acute shortage of transportation for the sodium carbonate from the plant to distribution centres. 10 % only of the production could be transported.

At present Transportation Sub-Commission, Rail Branch, is in a position to accept only deliveries to Rome. Deliveries to all other centres should be done according to them by coastal sea transportation, loading possibly at the Solvay pier. However, the practical results as far as regards sea transportation are not satisfactory. Given the large quantities of products to be transported and their importance for numerous industries it was considered necessary that at least one schooner be allocated to the Solvay Co. Therefore a request has been forwarded to Transportation Sub-Commission that the schooner "ALMA", which had been used in the pre-war period exclusively by Solvay and which is particularly suitable to load and unload at their pier, be de-requisitioned and turned over to the Solvay Co. A decision has not as yet been reached. It is pointed out that on the basis of the present experience this is considered the only practical solution to arrive at a regular distribution of Soda Ash and caustic soda.

Soc. Aniene Rome - Production of Chlorine and Derivatives.

Production is progressing regularly and the demands of Chlorine for purification of water are being met for the whole of Italy. The production of alkaline disinfecting solutions (hypochloride of sodium) and solid disinfectants (chloride of lime) is very satisfactory too.

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Paper

The paper industry which, as known, requires considerable supplies of coal and cellulose is still in a very difficult situation. The plants in Northern Italy are almost untouched but owing to lack of the above raw materials they can operate up to 15/20 % capacity only. It is hoped that when the requisition programme for cellulose comes through and the planned increase of coal supply materialises the situation will gradually improve.

A positive factor in supplying this industry is the collection of salvage suitable for paper manufacture (Army maps, hemp residues, etc)., from

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Army Salvage Depots. This Sub-Commission arranged things in such a manner that the material is collected by the Association of paper industrialists with notice to the Ministry of Industry and Commerce so that distribution is made to various paper manufacturers and hoarding of that valuable material by private dealers has been avoided.

Soap.

The situation of the soap industry is very unsatisfactory. The quantity of declared fatty materials is very limited (approximately 3,000 tons of oil). While the policy of A.C. during 1944 was to concentrate production in few plants (12 at that time) so that control of production was possible, the Italian Government, - apparently for political and social reasons - authorised more than 200 plants to carry out production. The majority of these plants are small and very old fashioned and the Government has no organisation to control quality of the soap produced; This facilitates filtration of a part of the allocated caustic soda and fats to the black market. On the other hand some "sansa" disappears and this is another source of black market fatty materials.

In addition to that, transportation problems, which were already very complicated, practically became insoluble when over 200 plants were authorised to work. The Ministry of Industry and Commerce states that the real difficulty at present in producing soap is the transportation problem of oil to the plants (see AC/5579/IND Vol. 12, Folio 87, letter of the Ministry of Industry and Commerce in reply to enquiry of this Sub-Commission with regard to unsatisfactory production), and in view of their policy to reactivate many plants it is clear that transportation difficulties will be multiplied.

3. CHEMICALS - 2

Superphosphate Fertiliser

(a) Phosphate Rock.

The last 24,400 tons of the first 100,000 ton programme of imported French North African phosphate rock has for the most part been delivered, with the balance en route. Negotiations for an additional 500,000 tons for the next 12 months are on their way to completion and the signing of a Franco-Italian contract between the respective Governments is expected shortly.

A survey of northern plant facilities has shown that war damage has been light and that 90 % approximately of normal capacity remains intact. However, damage to ports and railroads has been considerable and will now constitute the bottleneck for the next month or two. Meanwhile, the distribution of imports via various ports that are operable has been set up provisionally, pending actual commencement of shipments on the new contract.

Authorisation to contract for a supplementary importation of phosphate rock up to 200,000 tons will be requested as soon as the necessary

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Authorisation to contract for a supplementary importation of phosphate rock up to 200,000 tons will be requested as soon as the necessary information regarding certain independent manufacturers becomes available.

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(b) Pyrites.

Pyrites requirements for the next 12 months may reach 500,000 tons. This is subject to a considerable reduction in view of the fact that it is impossible at this stage to say whether railroad transportation facilities will be adequate to handle this volume of traffic and how soon the sulphuric acid plants not connected with superphosphate production will be able to reach full capacity production in view of their dependence on associated industries. This directly affects the extent to which pyrites can be offered for sale abroad

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as surplus to domestic requirements. Owing to various unknowns, chief of which is the rate at which Italy's facilities for mining pyrites can be restored, it is impossible to give a definite figure re the exportable surplus. For the present, we have estimated that it will be possible to release for export up to 150,000 tons in 1945, but this may prove to be more than can be spared. The situation will be re-examined at an early date and Commerce Sub-Commission, Foreign Trade Section, advised accordingly.

(c) Situation of Plants.

Owing to the unfortunate interruption in phosphate rock shipments which lasted nearly two months, it has not been found possible to reactivate any new plants and hence present rate of production remains as at the time of our last report, i.e. approximately 20,000 tons a month.

With the recent de-requisitioning by Italian military units of the plant at Taranto (productive capacity 2,500 tons/month), all plants in the South with the exception of Fontecagnano, which will be retained indefinitely by British Ordnance, will have been de-requisitioned.

With the liberation of the North a number of factories producing bone phosphate, glue and oils from bones have become available. The total capacity in terms of bone phosphate is minor, i.e. two or three thousand tons/month, but the jointly produced glues and fats are of high importance. Bones are extremely scarce and for the most part are imported from the Mediterranean countries. Their contribution to the fertilizer program is insignificant.

Montecatini's A B plant at Turin has collected several hundred tons of wood and lignite. It plans to resume operation shortly. Enough raw materials are on hand to make approximately 140 tons of glue, 20 tons of oil and several hundred tons of bone phosphate.

(d) Sulfuric Acid

Two plants in Tuscany are producing sulfuric acid for the manufacture of copper sulfate from scrap metal which is being supplied from Military sources but at an unsatisfactory rate. Superphosphate will also be produced shortly as the rock is now on its way.

(e) Nitrogenous Fertilizer - Ammonia

Oschiri (Sardinia) was reported as closed down last month through lack of water in the catchment basin. Production at Oschiri plant up to time of shut-down was :

Ammonia	423	tons
Sulfuric Acid	2,221	tons
Ammonium Sulfate	1,621	tons

This plant will not be able to operate until the winter rains begin and will be dropped from the monthly report until further notice.

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Montecatini's plant at Crotone was shut down some days ago owing to the refusal of the military authorities to allocate the necessary power for production of synthetic ammonia for conversion into ammonium sulfate. The grounds for doing so are that military loads cannot be reduced and other civilian consumers with higher priority absorb such surplus power as exists.

Nera Montoro (Terni) has continued operations without change, production for June being:

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Anhydrous Ammonia	80 tons
Ammonium Sulphate	135 "
Sulphuric Acid	630 "

Montecatini's plant at Novara produced without interruption during this month at the rate of around 10 tons daily of ammonia. In the first week of June this plant was making ammonium nitrate at the rate of 450 tons/month.

The Azogeno company's plant at Vado Ligure (Savona) was visited and found so badly destroyed that reactivation cannot be considered until well into next year, if ever.

(f) Copper Sulphate

In addition to Montecatini's plants at Bagnoli and Brindisi, the Puccioni plant at Castellina in Chianti (north of Siena) is now in production, but at low capacity. Montecatini's total production to date is 1,142 tons of copper sulphate, from scrap metal.

The collection and delivery of military brass scrap has been halted during most of the month pending final arrangements between the Italian manufacturers and the Allied Military supply services.

Montecatini's huge plant at Spinetto Marengo (Alessandria) was inspected. It has a capacity to produce monthly:

Superphosphate	7,000 tons
Copper Sulphate	2,500 "
Synthetic Camphor	50 "

Plans to obtain the necessary raw materials, i.e. phosphate rock, copper, and turpentine respectively are actively in hand.

(g) Calcium Carbide

The opening up of the north has disclosed total stocks of 9,700 tons of calcium carbide of which over 8,000 tons are located in the north. Production in Italy is being carried only on a very reduced scale at Montecatini's plant at Villadossola, using up the 600 tons of coal that were in stock a month ago.

Terni's plant at Papigno is still at a standstill. Despite renewed monthly bids, it has not been able to get the monthly requested allocation of 600 tons of coke. A plan has been drawn up for the reactivation of six plants in central and northern Italy with a total monthly production of 8,500 tons, for which the necessary 8,000 tons of coke is being included in our supply programme as equivalent coking coal.

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(h) Industrial Explosives

The two industrial explosive plants reported last month continued to operate at a rate of several tons per day from salvaged material.

A recent joint meeting was held with the C.L.E.M. (Comitato Lavorazione Esplosivi e Munizioni) which is the trade organisation for concerns in the business of unloading munitions. This organisation has agreed to parcel out the work of unloading the immense quantity of shells belonging to both the Allied and Italian Armed Forces, as and when they are made available.

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However, we are still without specific information as to what are the kinds and quantities of shells, mines, small arms ammunition, etc., that can be expected to be furnished. Lacking which, no specific programme can be drawn up.

In any case it has become obvious that the high explosive contents in surplus ammunition will provide sufficient raw material to make all of Italy's requirements for mining, agriculture, and construction for the next few years.

The problem of the conversion to peacetime processes of military explosive plants has, to a large extent, been solved by the severe air bombardments to which they have been subjected. It is premature to state definitely which plants will be completely abandoned or greatly reduced since the industry itself has not had time to consider ways and means. At present writing it seems probable that the Montecatini plants at Allemandi (Torino), Taino-Angera (Vercelli), and Pratola Peligna (Aquila) will be abandoned while the gigantic explosives works and nitrogen fixation plants at Tarquinia (Viterbo) under construction will never be completed. Whereas the Montecatini's plant at Orbetello (Grosseto), though badly damaged in one section through German demolition will be remodeled as a centre for all their industrial explosives production.

The fourth private concern manufacturing high explosives, S.I.P.E., has not presented any plan yet nor has any action been taken with regard to the Italian Government arsenals, of which there are five. The explosives industry will be treated in greater detail in next month's report.

(i) Synthetic Fibre

Now that the north has been liberated, it has been possible to draw up a programme for reactivating the rayon industry. The Cisa Viscosa plant in Rome can be reactivated as soon as the necessary power of 350 KW is granted and several hundred tons of fuel are delivered. In the north the SNIA Viscosa's plant at Venaria Reale resumed operations in mid-June, producing staple at the rate of 150 tons/month; while its plant at Cesano Moderno presently resumed operations with a monthly output of 120 tons of rayon filament.

Every effort is being made to find stocks of cellulose to keep these three plants going until the autumn when the 12,000 tons of cellulose requested for the last quarter may arrive from abroad.

(j) Nylon

Montecatini's plant for the manufacture of nylon at Verbania (Novara) was inspected, found to be in first-class order and producing nylon fibre at the rate of 500 kgs/day, which was being spun for the most part into yarn, but also into bristles for tooth and hair brushes.

As the value of this nylon both for military purposes and consu-

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As the value of this nylon both for military purposes and consumer markets is very great, every effort is being made to provide the necessary chemicals and fuel to keep this plant in operation. It has been accorded high priority in our current coal programme.

(k) Carbon Bisulphide

Three concerns continue to produce throughout the month as follows:

Cisa Viscosa at Collestatte	130 tons/month
L'Insulare Spero (Catania)	300 " "
Ulisse Crocchi (Siena)	160 " "
	490 " "

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Production has been at a very low rate in continental Italy owing to the shortage of power. Now that the power situation has greatly improved it is hoped to step up the production at Collestatte.

In the North it has been lack of raw materials rather than of power that has prevented production. Of the three large plants where production could be started, Pieve Vergonte (Rumianca Co.), Venaria Reale near Turin (SNIA Viscosa), Bruzzano near Milan (Montecatini Co.), only the first two are scheduled for early reactivation since these use electric power for heating the furnaces, whereas the last named is heated by producer gas and would require in its operation up to 400 tons/month of coke, which is in very short supply.

At Venaria Reale there is a stock of 1,300 tons of Carbon Bisulphide of which 1,000 tons is surplus to this company's own requirements for rayon manufacture. The problem of providing the necessary transportation for moving charcoal and sulphur to Pieve Vergonte will prevent its reactivation until August.

The shortage of steel drums for transportation is so grave that the possibility of having to restrict output is a real threat.

(l) Miscellaneous

Montecatini's plant at Linate near Milan is a multiple-product plant, producing various inorganic salts, tartrates, and the important hydrogen peroxide, the use of which permits a supply of sanitary milk without resorting to pasteurisation which is a great consumer of fuel. High priority has, therefore, been accorded this plant and 750 tons of coal requested per month to start with.

The CLEDCA tar works at Turin are shut down through lack of coal tar, which is obtained from the adjoining Turin gas works. They have items in stock of considerable value, namely:

High carbon pitch 200 tons

Crude naphtalene (65°CRP) 15 "

50 tons of the pitch have been earmarked for the manufacture of carbon electrodes, for which it is an essential binder.

(m) Dyestuffs and Coal Tar Intermediates

Montecatini's(ACNA) enormous dyestuffs and synthetic organic chemical plant at Cesano Moderno was visited. It is at present at a standstill but if 600 tons of coal per month can be spared, this key plant employing a thousand men can be reactivated.

At Gengio (Savona) there is another plant owned by ACNA; this is approximately the same size and is of equal importance in that it produces the intermediates from which dyestuffs, medicinals and plastics e.g. nylon are made. This also has been recommended

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The phenol goes to Novara where it is converted into polyamid resin which in turn is sent to Verbania where it is turned into nylon fiber.

(n) Chemical Warfare Plants

Rumianca Company's chemical warfare plants for the manufacture of diphosgene, mustard gas, adamsite, and chlorosulfonic acid, at Pieve Vergonte (Novara) and at Apunia were inspected. The former was found completely undamaged and in a position to start making 850 tons monthly of caustic soda, lac-

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king only salt. The Apuania plant has been so badly damaged that it will be a long time before it can operate. However, the old part of the plant devoted to inorganic salt fungicide production is in good shape. However, the entire question of what to do with these chemical warfare plants is still under consideration. It is hoped that in the near future the Italian Government will present its own plan for dismantling or conversion.. There are at least 5 other plants of this type in Italy.

(o) Coke Ovens

Certain coke ovens were constructed jointly by Montecatini and other industrial firms so that Montecatini could utilise the gas for synthesis of ammonia. In such cases it is impossible to divorce consideration of nitrogenous fertiliser from that of the coke oven activities. Accordingly the coke ovens at San Giuseppe di Cairo (Coke Italia Company), at Vado Ligure (Terni Coke Company), and at Apuania (Coke Apuania) were visited in order to determine which from a chemical industry standpoint is the most desirable to reactivate. Coke Italia was finally selected for reactivation at 50% capacity, calling for 35,000 tons/month. This will call for an allotment of 2,000 tons for the next two months during the preliminary warming up period.

This is in harmony with the requirements of the steel, coke and transportation situation as of today. As soon as possible thereafter it is recommended that either Terni company's coke oven at Papigno (Terni) or Vetrocoke at Porto Marghera (Venice) be started up.

(p) Synthetic Coatings

Montecatini has a small but modern plant for the production of nitrocelluloso, lacquers, and alkyd enamels at Avigliana (Turin). They are producing these high grade coating materials at the rate of several tons a day. These should find a ready sale in the close-by Turin market. They are short of raw materials, particularly drying oils for paints of the conventional type.

4. FOOD PROCESSING

Great efforts are being made, despite the fuel shortage , to get all possible food-processing plants working, particularly to process this season's tomato crop. In particular the "Arrigoni" plant at Cesena should handle a considerable quantity of the tomatoes grown in the area.

Repairs to the sugar plants continue and the necessary materials for rehabilitation are being supplied to schedule.

5. HEMP, ETC.

North

No transport being available it has been impossible to commence getting in the balance of the old crop, and on the other hand it is known that

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Certain coke ovens were constructed jointly by Montecatini and other industrial firms so that Montecatini could utilise the gas for synthesis of ammonia. In such cases it is impossible to divorce consideration of nitrogenous fertiliser from that of the coke oven activities. Accordingly the coke ovens at San Giuseppe di Cairo (Coke Italia Company), at Vado Ligure (Forni Coke Company), and at Apuania (Coke Apuania) were visited in order to determine which from a chemical industry standpoint is the most desirable to reactivate. Coke Italia was finally selected for reactivation at 50% capacity, calling for 35,000 tons/month. This will call for an allotment of 2,000 tons for the next two months during the preliminary warming up period.

This is in harmony with the requirements of the steel, coke and transportation situation as of today. As soon as possible thereafter it is recommended that either Terni company's coke oven at Papigno (Terni) or Vetrocoke at Porto Marghera (Venice) be started up.

(p) Synthetic Coatings

Montecatini has a small but modern plant for the production of nitrocellulose, lacquers, and alkyd enamels at Avigliana (Turin). They are producing these high grade coating materials at the rate of several tons a day. These should find a ready sale in the close-by Turin market. They are short of raw materials, particularly drying oils for paints of the conventional type.

4. FOOD PROCESSING

Great efforts are being made, despite the fuel shortage , to get all possible food-processing plants working, particularly to process this season's tomato crop. In particular the "Arrigoni" plant at Cesena should handle a considerable quantity of the tomatoes grown in the area.

Repairs to the sugar plants continue and the necessary materials for rehabilitation are being supplied to schedule.

5. HEMP, ETC.

North

No transport being available it has been impossible to commence getting in the balance of the old crop, and on the other hand it is known that a certain leakage is constantly taking place on to the black market.

It is hoped to get 30 three-tons trucks from District 1 within the next few days, and afterwards it will be possible to commence feeding the northern Italian mills with the raw material and, providing the necessary railway wagons become available, to bring some raw materials also to Naples for feeding the rope factories.

New Crop both in the North and in the South

The new crop is showing up very poorly owing to the drought. For this reason it is bound to be a very short crop suffering as it is from stunted growth and it is feared that the original quantity hoped for, namely over 50,000

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(77)

tons (north and south), may be down by about 30%.

Hemp Products in the North.

Fortunately, there are large stocks of all descriptions of hemp products in the many factories in the North, and this will greatly help the situation in the immediate future. Details will be given on the next availability report for August allocations, but it may be stated that there is in stock in the northern factories approximately the following quantities:

Heavy Canvas	500,000 metres
Medium Canvas	800,000 "
Light Canvas	4,000,000 "
Twines	450 tons
Small Cordage under 3 inch.	200 "

Hemp - Naples

The amount of raw hemp brought into the pool during June was only 51 tons. To date no hemp has been received from the North. The manufacture of canvas, twine and thread continued at the normal reduced rate, but only 100 tons of rope will be available in July. It is understood that large stocks of finished hemp products have been found in North Italy, so that Allied Forces ought to be adequately supplied.

Production

(a)	Yarn	- 25 % under normal
(b)	Canvas - heavy	+ 20 % over 1944 average
	- medium	+ 30 % over 1944 average
	- light	- 23⅓% 1944 average
(c)	Sacks	- 22 % 1944 average
(d)	Rope	- 25 % under normal

Power

The supply is normal.

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Contraband

Finance Guards in Frattamaggiore were removed on 23 June and replaced on the same date by 1 maresciallo and 9 carabinieri. 1659

Finance Guards at Frattamaggiore confiscated 42 quintals of hemp in 12 police operations. Italian Police and Consorzio Guards confiscated a further 67 quintals of hemp in 30 operations.

6. MECHANICAL AND AUTOMOTIVE

Tools etc. Sequestrated by Germans

The Mechanical and Automotive Industries Division was chiefly busy on

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making a cross card index of about 4,000 machine tools sequestrated by the Germans and sent to various plants and collection depots in Germany, Poland, Czechoslovakia, Bulgary, Austria and France. This cross index is based on the data translated from German and it is compiled in accordance with the names of plants from which the machines were taken and the names of the depots or plants to which they were sent. The Division assisted also several industrial enterprises in locating and blocking the machines which were sequestrated from them by the Germans.

Coal Distribution

The Division has worked out and submitted a comprehensive plan for distribution of imported coal among mechanical and automotive industries in various Regions. This work was, however, based exclusively on the available statistical data for the years before this war.

7. MINING

Sardinian Coal

Production and sales data received from the Chief Mining Officer, Sardinia for May are as follows:

		Metric Tons
Stock on hand	1 May 1945	20,928
Production	May	38,241
Reclaimed Coal	May	3,632
	TOTAL	62,801
Sales April		
Local-Sardinia		15,015
Export		14,980
	TOTAL	29,995
Stock on Hand - 31 May		32,806

The estimated production for June is 40,000 metric tons. Actual production and sales data are not yet available.

Production throughout May averaged approximately 1,660 metric tons per day. This may be considered as normal production under the present conditions and with the present number of workers.

There has been no outstanding labour difficulty during the past month. Discipline is very poor and there is still virtually no control over the workers. However, there were no strikes nor work stoppages, and daily production is practically the same as that during the highest production months when the mines were under AC control.

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The principal handicap to increased production is the need for increased labour. Estimates submitted by the Italian Mining Engineers at a recent meeting were that approximately 2,500 additional workers are required. This estimate is the same as that submitted by the Mining Division, AC in December 1944, and will probably enable production after a short period to rise to 75,000 metric tons per month.

Labour recruiting to date has been a complete failure. It is reported that determined recruiting efforts are in progress both in Sardinia and the Italian Mainland; success however is practically nil. Present discussion by Italian Government is for the use of German Prisoners of War. No plan has

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yet been prepared to utilise these prisoners as a labour source and there will undoubtedly be some Sardinian political reaction against this plan.

Coal Mines - Istrian Peninsula

Information was received that the coal mines of the Istrian Peninsula fall in Yugoslavian territory and as a consequence will probably not be administered by the Mining Division, Industry Sub-Commission, AC.

Lignite - Italian Mainland

The estimated production for June is 50,000 metric tons. Potential production is greatly in excess of this. As previously reported the situation regarding transportation, stockpiles and financial difficulties, is still adversely affection production. An additional handicap is now one of labour shortage in some of the mines.

Ribolla lignite production is not meeting the proposed schedule because of a labour shortage. A minimum of 400 men are needed at once. They cannot be obtained except from distances of from 20 to 45 kilometers from the mine and transportation is lacking with which to haul the workers back and forth from work.

Solid Fuel Production - Northern Italy

The lignite and coal mines of Northern Italy are producing on a limited scale. The chief difficulty influencing production appears to be lack of trained labour and undesirable food conditions in some districts.

Estimated production of solid fuel from these Northern Italy mines is 10,000 metric tons. Production should increase during July and materially increased in August when the necessary labour, supplies and transportation will be available.

Metal Mines - Sardinia.

The metal mines, Sardinia, continue on a maintenance basis; lacking materials it will not be possible to reactivate these mines on full scale production. The lead-zinc smelters are not operating since there has been no request for the lead production and as a result no coke has been allocated to operate the smelters.

Mainland Metal Mines

(a) Mercury - Production has commenced at the Carpine - Siele Mine and has increased to 2,000 bottles per month at the Abbadia San Salvatore mine.

Abetina Mine of Soc. Min. Argus is still on maintenance basis.

The stocks of mercury are about 19,000 bottles

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(b) Pyrite - Pumping is proceeding at all mines of the Maremma District and Boccheggiano mine has commenced production on a small scale.

(c) Tin - Monte Valerio Mine is operating on a reduced scale.

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Marble Quarrying

The marble quarries are maintaining a skeleton labour force. The bar to production is transport of sand for cutting and transport of block marble from the quarries. The quarries are choked with rough hewn marble and until the blocks can be shifted normal work cannot proceed.

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Sulphur Division

Production and shipment data for Sicilian mines for the month of May were as follows:

	Metric Tons
On hand 1 May 1945	6,894
Production May	6,128
Stripped from Mines	6,642
On hand 31 May 1945	6,380

On 21 June the Sicilian sulphur workers went on strike after demanding substantial increases in wages. On 16 June a Committee of workers and employers had agreed to an increase ranging from 45 to 90 lire per day depending on the age of the worker provided that the price of sulphur be increased from 5,700 to 9,000 lire per ton. The miners have been willing to await price negotiations. The strike is general throughout Sicily and is still in force. The mines have been unable to work economically since November 1944, adjustments in price having lagged behind adjustments in wages.

Mines in the Avellino area produced in May:

Crude (fused) sulphur	748 tons
Ground ore (30-33% sulphur)	3,248 "

No production is yet being obtained from North Italian mines, due to lack of electric power.

Supplies

The supply position is reasonably satisfactory at the present time in respect to coal and sulphur mines, with the exception of some maintenance items. Arrival of imported supplies has increased during the past two months. Transhipment of supplies to the mines has been considerably delayed in many instances chiefly due to the following:

(i) Misdirection of supplies by Port Authorities, in part due to improper marking.

(ii) Difficulty in identifying supplies by Mining Division due to improper marking.

(iii) Slowness of rail and sea transportation.

Pit prop supply for Sardinian coal mines is still critical, and continues on a hand-to-mouth basis. It is reported, however, that substantial shipments are being made from Calabria at the present time.

Substantial quantities of some categories of mining supplies have been located in Northern Italy. A number of cancellations have been made in outstanding on the basis of present low mineral production and

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8. PHARMACEUTICALS

Pharmaceutical Industry - Northern Italy.

A rapid survey of the Pharmaceutical Industry of the North was made during the first two weeks of June. The objectives were twofold, namely: first to ascertain the status of both plants and raw materials and second to ascertain whether requisitions now placed for semi-finished products for the rehabilitation programme would have to be revised in quantity or kind. Some

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400 plants were involved in this survey and manifestly the time was too short to do more than arrange for distribution of survey forms.

However, a general knowledge of the Pharmaceutical Industry of the north was gained. In the main pharmaceutical plants suffered little damage. The most pressing requirements are coal and other basic materials heretofore imported, such as alkaloids, vitamins, etc. For the most part the requisitions now placed for semi-finished products for the rehabilitation programme appear to cover the type of materials required. However, quantity cannot be determined until the returns of the survey forms are on hand and it is estimated that these returns will not be completed until the end of July. Naturally requirements will shift as more of the Italian chemical feeder industries are rehabilitated and this factor will have to be considered together with the completed returns.

Coordination between Italian Government Departments

During the month of June it became quite evident that closer coordination between the Ministry of Industry and Commerce and the Direzione Generale Sanita' Pubblica, was not only desirable but also necessary. Industry Sub-Commission proposed a plan, covering method of establishing requirements, method of manufacture, and method of distribution, in February 1945. To date, it would appear that no action has been taken by the Italian Government to institute such a plan. In consequence neither of the above named agencies has a complete picture of the Italian Pharmaceutical Industry.

9. MONOPOLIES

General

The general situation of the Monopolies in North Italy, described in May report as rather confused, has not improved since. Consequently this Headquarters has been asked by the Ministry of Finance that the administration of the Tobacco Factories located in the North be put under the jurisdiction of the State Monopoly, Head Office, Rome. The question is now being studied and a decision will be taken when the views of Regional Commissioners on the matter are known.

Prices.

The price situation has been settled inasmuch as AMG on 29 June 1945 has been directed by Economic Section to introduce for finished tobacco products and tobacco derivatives (insecticides) the present prices in force in Central and Southern Itely, effective at once. This price increase will result in an increase in revenue of 600,000,000 lire per month.

Production

Some factories' work both in Southern and Northern Italy is held up through lack of fuel. The factory at Lecce - as reported by the Prefect - may shut down and discharge 500 workers, if coal is not supplied. Commerce Sub-Commission, Coal Division and the Ministry of Industry and Commerce have

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Supply of Cigarette Paper

32 tons US' requisitioned cigarette paper are due to arrive at Naples during July. The cigarette paper factories at Ormea and Brodano are working. The Isola del Liri paper mill is expected to start production of this item in a few days.

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Raw Tobacco Movements

500 tons raw tobacco will be moved by sea from the South to the North during July - August. 200 tons Oriental tobacco lying in the North, which is needed in the Southern factories, will be shipped to the South.

De-requisition of Premises.

The Boriello plant at Naples for the manufacture of cigarette paper booklets has been de-requisitioned and made available for this work.

The de-requisition of the tobacco factories of Verona and Bologna which were wrecked by war actions and now are used as camps for German POW has been requested. The German POW are causing heavy damages to the machinery lying in the premises and destroying precious manufacturing material.

Salt Industry

Supplies in the North.

At the moment of the liberation of Northern Italy supplies of salt were nearly exhausted. Black market prices reached 300-400 lire per kg. During June 964 tons were moved to the North. Movements for July are scheduled at 1,000 tons and henceforth for every ten days period 750 tons.

Prices

In view of the fact that the salt price of 2 lire per kg., which was in force in Northern Italy on 3 April 1945, does not cover cost and the actual high expenses for transport, the price has been raised to 10 lire per kg. The salt price in Central and Southern Italy has been increased from 10 to 20 lire per kg., effective from 1 July 1945.

Production

The marine salt works of the Monopoly are producing round 400,000 tons per annum, which quantity is sufficient to cover the need of the population of all of Italy at a normal consumption rate of 600 grams per person per month, as well as those of the various industries using salt for conservation and manufacturing purposes.

In addition there is sufficient of the private salt mines located in Sicily and Sardinia which normally worked for exportation only. Owing to the war, export for years has not been possible, so that present availabilities at these salt mines amount to 600,000 tons, all available for export. Enquiries so far have been received by Commerce Sub-Commission, Foreign Trade Section, from Norway (20,000 tons) Belgium and New Foundland. 3,000 tons have been exported to USA as ballast.

Resumption of work at Comacchio

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Resumption of work at Comacchio

The salt works at Comacchio resumed production after mines lying in the salt beds were removed. Foreseen production for July, August, September : 25 tons per month.

Match Industry

Rationing

From the surpluses found in Northern Italy, 16,000,000,000 matches are being moved at present by sea, rail and road to the Southern Mainland as well as to Sicily and Sardinia. As soon as the matches arrive at the warehouses of CIF, rationing will be abolished in these areas. In the Northern

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areas the sale of matches is free.

Prices

Prices have been increased in the North to one half of the present prices in the South. The latter prices are considered to be too high, since the cost of the North produced matches are much lower than of those in the South. CIF proposed therefore to Ministry to establish an average price for all of Italy. It is expected that the relative decree will be issued within the next week.

10. RUBBER

General

In general there has been very little change in the status of tyre and rubber production this month. All tyre production factories are ready to resume normal pre-war output. Raw materials on requisition have not arrived and show no signs of doing so in the near future. Signals with our cries and pleas and their denials have become so frequent that a reasonable simile of perpetual motion is in effect.

At full production the rubber industry will require 7,000 tons of coal per month. About half of the above is of imported type. This fact will probably cut down our production rate, even when materials are available.

Synthetic Rubber Plant - Ferrara

Machinery confiscated from the Societa' per Azioni Industria Gomma Sintetica (Ferrara) has been located at Merano. Bids have been forwarded for movement from Merano to Ferrara. Heavy tank transporters are required for this.

Reclaimed Rubber

Salvage rubber is being made available from Army depots so that reclaimed rubber will soon no longer be even considered a controlled item. Movement of this salvage is a difficult problem because of the cubage of whole tyres involved. Bicycle tyres are now being produced from reclaimed rubber. It is not known why the Italian Government and other agencies still insist on requisitioning reclaimed rubber when the local production will nearly warrant export instead of import.

11. STEEL

Control of Steel Industry

On 3 July control of the steel industry in Southern Italy was transferred back from Army to civilian control. For the purpose of coordinating production and the acquisition of raw materials an organisation representative of the Ilva, Terni, and Giovinazzo interests have been set up in Rome.

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The responsibility for the release of Rolled Steel now lies with the Commerce Sub-Commission of AC and with the Ministry of Industry and Commerce.

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Production at Terni

During the month, it was found necessary to warn the Terni company that unless their production of steel was maintained at the same level as prevailed during the period of military control, they ran the risk of being denied the raw materials with which to operate their works. The necessity for this warning arose in connection with Terni's failure to fulfil orders for the Italian State Railways.

Food for Steelworkers

On 15 July the provision of food for the steelworkers will become the responsibility of the owners and they have been warned that steps must be taken immediately in cooperation with the Italian Government to insure that the transfer of this important responsibility be effected smoothly so as to avoid unrest amongst the workers, who have already shown some apprehension at the change.

Conference on Fuel

During the month Major R. Boger attended a conference presided over by Brig. D.L. Anderson, at which representatives of the Steel Industry in the Venezia Giulia Region were present. Amongst other subjects the question of the importation of coal from Yugoslavia and Czechoslovakia was discussed. A plan which would involve the exchange of Czech coal for Italian Iron Ore is now being worked out.

12. TEXTILES

General

Technical surveys executed by a textile engineer attached to this HQ and further reports forwarded by Regions confirm that approximately 95% of the Northern Textile Industry remains undamaged and now awaits the arrival of raw materials.

From these surveys it is concluded that stocks of raw materials are low and it seems inevitable that the employment of some 1,100,000 operatives at present engaged in the Textile Trade and its ancillary industries will soon be seriously affected. The supply of spare machinery parts and accessories is fair, though more information will be available in the near future.

The Textile Division submitted provisional requisitions for raw materials as outlined in the monthly report of May, but those were later withheld due to similar action to a lesser degree being taken by the Italian Government. Present demands are for 6,500 tons of cotton and 1,500 tons of wool, each to be available for consumption in September and October respectively.

There are small quantities of both cotton and wool available in the south, the disposal of which is now being given consideration by the Ministry of Industry & Commerce.

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12. TEXTILES

General

Technical surveys executed by a textile engineer attached to this HQ and further reports forwarded by Regions confirm that approximately 95% of the Northern Textile Industry remains undamaged and now awaits the arrival of raw materials.

From these surveys it is concluded that stocks of raw materials are low and it seems inevitable that the employment of some 1,100,000 operatives at present engaged in the Textile Trade and its ancillary industries will soon be seriously affected. The supply of spare machinery parts and accessories is fair, though more information will be available in the near future.

The Textile Division submitted provisional requisitions for raw materials as outlined in the monthly report of May, but those were later withheld due to similar action to a lesser degree being taken by the Italian Government. Present demands are for 6,500 tons of cotton and 1,500 tons of wool, each to be available for consumption in September and October respectively.

There are small quantities of both cotton and wool available in the south, the disposal of which is now being given consideration by the Ministry of Industry & Commerce.

Cotton Industry

(i) South of the Rimini-Spezia Line

The rehabilitation of the cotton industry has made continuous progress in accordance with the programme prepared by the Textile Division in December 1944, production of the main firms and areas is as follows:

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Ser. N.	COTTON FIRMS	PRODUCTION JUNE			INCREASE IN PRODUCTION ON PREVIOUS MONTH %	REMARKS
		Yarn (kgs.)	Sewing Thread (kgs.)	Piece Goods (metres)		
1.	Manifatture Cotoniere Meridionali - Naples	120,890	-	908,268	20%	-
2.	Salerno Area	-	-	100,000	-	Yarn shortage
3.	Umbria Filatura di Spoleto	60,000	-	-	100%	Majority of yarn supplied to Ministry of Marine
4.	Piaggione - Lucca	50,000	-	-	100%	-
5.	Filatura di Villa Cortese - (Pistoia)	30,000	-	-	600%	-
6.	Cantoni Coats - Lucca	60,000	-	-	-	-
7.	Cantoni Coats - Lucca	-	50,000	-	-	Part of production of Serial 6
8.	Areas - Naples - Lucca	-	14,000	-	-	-
9.	Mattioli & Miscellaneous Small Spinners	10,000	-	-	-	-
	TOTAL	330,890	64,000	1,008,268	-	-

(ii) North of Rimini - Spezia Line

Some factories are working at a reduced rate and others are stationary due to the lack of raw materials, especially the cotton

1.	Manifatture Cotoniere Meridionali - Naples	120,890	-	908,268	20%	-
2.	Salerno Area	-	-	100,000	-	Yarn shortage
3.	Umbria Filatura di Spoleto	60,000	-	-	100%	Majority of yarn supplied to Ministry of Marine
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9.	Mattioli & Miscellaneous Small Spinners	10,000	-	-	-	-
	TOTAL	330,890	64,000	1008,268	-	-

(ii) North of Rimini - Spezia Line

Some factories are working at a reduced rate and others are stationery due to the lack of raw materials; generally only the weaving is in production utilising any yarns that are obtainable.

There are no stocks of ginned cotton held locally though the situation should be improved by the arrival of 3,000,000 kilograms of American cotton due July - August. A fair proportion of lubricants, vegetable oil and processing materials are available locally . . .

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Woollen and Worsted Industries

(i) South of Rimini - Spezia Line

The industry is divided between the scattered small producers (spinning and weaving), and the important Center of PRATO. It is estimated that the former produced in June 150,000 metres (Piece Goods) and in Prato a new average of 50,000 metres per day was achieved. In addition mention must be made of the numerous artisan firms whose production is untabulated.

(ii) North of Rimini - Spezia Line

From information forwarded in June by the Italian Wollen Association at Biella, it may be assumed that the worsted industry is now stationery; further that the wollen industry is working with a reduced number of operatives some 4-5 days per week, and with the present stocks of miscellaneous materials the latter should continue until August-September.

SECTION III - PERSONNEL

The following changes in personnel occurred during June:

Release under Age/Service Group.

Lt. Col. S.W. Archibald, Venezia Region
Major R.W. Reeve, Administrative Officer this HQ
Major D.A. Duncan, Lombardia Region
Major J.F. Harris, Piemonte Region
Major H.G. Thornitt-Smith, Piemonte Region
Captain F.C. Ree, Southern Region

Assignments and Re-assignments.

Major A. MacNaughton Wright, Executive Officer this HQ
Major E.R.H. MacDermot, assigned Textile Division
Major Charles Fewings, on loan from AFLRS, assigned Industrial Coordination Officer
Captain A.R. Radcliffe, from Toscana Region, assigned Mining Division
Captain J.T. Wright, on loan from AFLRS, assigned Fuel and Transport
Captain T.P. Hunter to Austria

Hospital Admissions, etc.

T/Major G.F. Hatch (210) 221/14 admitted 135 General Hospital 17 June 1945.
Captain N.R.L. MacDonald granted 15 days convalescent leave from Monday 2 July 1945

Officers Due for Release During August

Major A.C. Lister, Lombardia Region, age/service group 12
Major H.G. Reid, Piemonte Region, age/service group 13

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The following list is present establishment:

Headquarters:

Lt. Col. W.J. Maskrey (B) Acting Director
Lt. Col. A.H. Glendinning (B) do attached from AFHQ
Major A. MacNaughton-Wright (B) Executive Officer.
Major J. Rosenbaum (A), Chemicals
Major R.C.D. Boger (B), Steel
Major Charles Fewings (B) Industrial Coordination Officer
Lt. Comd. J.H. Pollard (A) Mining

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Major E.R.H. MacDermot (B), Textiles
Captain D.B. Roberts (A), Building Materials
Captain D.S. Kingery (A), Mining
Capt. R.B. Bullock (A), Rubber
Capt. A.F. Radcliffe (B), Mining
Lt. Louis Mehr (A), Food Processing
Lt. F.N. Spencer, (A), Mining
Mr. V. Dorkovich, (American Civilian), Chemicals
Mr. S.D. Brootzkoos (American Civilian), Mechanical and Automotive
Mr. G. Meredith (British Civilian), Textiles
Mr. W.S. Backhouse (British Civilian) Hemp

Emilia Region

Major H.D. Bradbury (A)
Lt. G.E.J. Benn (B)
Mr. H. Thorogood (British Civilian)

Liguria Region

Major K.C. Wilson (B)
Major A.W. Hay (B)
Captain T.H. Corwin (A)
Lt. K. MacHoul (B)

Piemonte Region

Major A.G. Reid (B)
Captain J. Bender

Lombardia Region

Major A.C. Lister (B)
Captain T.G. Elliott (B)
Captain A.R. Pengilly (B)
Mr. R.C. Magee (British Civilian)

Venezia Region

Major W.E. Mydans (A)
Captain J.E.M. Bury (B)

Cardinia

Major G.F. Hatch (B)
Major M.A. Matthews (A)
W/O H. Disco (A)

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W/O. Backhouse (British Civilian) Kemp

Emilia Region

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Lt. G.E.J. Benn (B)
Mr. H. Thorogood (British Civilian)

Liguria Region

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H. GLENDINNING,
Lt. Col.
Acting Director,
Industry Sub-Commission

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HEADQUARTERS ALLIED COMMISSION

ECONOMIC SECTION

INDUSTRY SUB-COMMISSION

MONTHLY REPORT

No. 11

MAY 1945

JUN 18 1945

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INDUSTRY SUB-COMMISSION

MONTHLY REPORT

No. 11

MAY 1945

SECTION I - GENERAL

May was, above all, VE month and brought a complete change in the whole economic and industrial picture in Italy. The probability of wholesale destruction of hydro-electric plants, rail facilities, industrial installations and communications had long been a preoccupation of Industry Sub-Commission. It was feared that the Germans would contest every foot of ground and would destroy every hydro-electric and industrial plant, right back to the Brenner line, leaving in their trail destruction which under the most favourable conditions, would take a decade to restore. Luckily for Italy and indeed for Europe as a whole, considering the reduction in industrial potential and the crying need of liberated Europe for clothing, for food, for fertilisers and for consumer goods, the enemy surrendered leaving industrial installations in the North as to 90% virtually intact. More important than all, hydro-electric stations are still functioning in this area to practically 100% capacity, and therefore there is power and to spare. Italy's capacity to produce textiles, to preserve and can agricultural products and to provide fertilisers for herself and for coutries whose agricultural production has been wrecked by more than five years of destruction is of utmost importance. The crying need is now for coal and raw materials at as early a moment as the United Nations can make such supplies available. Coal is by far the more important problem. Italy before the war imported 12,000,000 tons per annum of hard coal to supplement her own resources of between one and two million tons yearly of inferior solid fuel. Today her industries could not consume such a volume of coal and obviously many of these industries, which have produced only arms and munitions of war, should not as such make demands on fuel. Her requirements, however, obviously are larger, even considering a reduced industrial pattern, than presently advised world availability.

It is necessary for Italy to consider how far she can,

a. Convert war industries to useful peace-time production

b. Convert installations from consumption of coal to consumption of the abundant electric power available.

c. Carry forward useful peace-time industrial activity by the use of indigenous fuel and raw material resources.

Taken broadly, it can be said that enormous progress can be achieved by the importation into Italy of five primary necessities: coal, industrial P.O.L., cellulose for the synthetic fibre industries, rubber to produce tyres to keep civilian transportation on the roads, and cotton and wool for the textile industries. The problems are being closely studied and it is believed that it will above all, be desired that the Italian textile

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Every facility has been offered by Industry Sub-Commission to officials of textile firms to investigate and report upon their possibilities and to indicate their requirements. It is indeed fortunate that the Prato and Lucca industries are now in process of getting more materials and power. In these areas, critically needed blankets and cotton thread are in production. It is known that world availability of cotton and wool is large; that cellulose can be made available and that P.O.L. represents no insuperable difficulty. Dominating the whole problem is that of the availability of coal. Accordingly, Industry Sub-Commission, amongst whose duties is assistance to Italian mining, have impressed upon the Italian Government the necessity for raising every possible kilo of indigenous solid fuel. One of the main difficulties in this respect is lack of adequate transportation. Italian coal, also, is of low quality. There is little gain on balance in using steam coal to haul lignite of poor calorific value and high ash, moisture and sulphur content. It is known that every effort is being made by the British and American Governments to assist in the provision of coal.

As an application of industrial conditions in North Italy, it is considered useful to attach to this report the first monthly industrial report from Piedmont Region.

As a result of the German surrender and the move-in by AMG on the Northern territory, an SOS was received from Bolzano announcing that large quantities of consumer goods, including clothing of all descriptions, cloth, cotton and silk fabrics, boots, automobile tyres and tubes, automobile parts and many other items, including several thousands of tons of coal, were lying in the region. In all, 1700 railway wagons of materials including clothing, boots, food and raw hides were standing on rail. As a result of this SOS, the Acting Director of Industry Sub-Commission paid a visit to Bolzano, interrogated German officials of the RuK, R.O.G.E.S. and Todt organizations and in the course of a visit which was unfortunately limited to 4 days, secured from German officials information on the location of some thousands of machine tools and of large quantities of consumer goods, and of coal. Details of the consumer goods, with truck numbers and contents, were passed to Commerce Sub-Commission for urgent action and the Director of Commerce Sub-Commission has since visited the area. Detailed information was also obtained on the German sources of supply and methods of distribution in Italy of industrial and domestic coal and of the location of supplies of coal which were on the way when the German forces capitulated. Unfortunately, Industry Sub-Commission had no officers available to carry this investigation further. Allied Commission for Austria came to the rescue, placing four officers and five civilian officials at the disposal of A.C. for Italy. These officials have been sent forward by airplane into the North of Italy and into Austria, where they have visited Landegg, Innsbruck and Salzburg. Valuable reports on coal provisioning have followed.

Industrial machines and motors lying in the Bolzano area form part of the economic patrimony of Italy and have great importance for Europe as a whole in view of overall war destruction. The Italian Government, in view of the lack of Allied personnel, has agreed to recruit a force of 50

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details as to date and route of dispatch and other particulars which would be vital should it be decided that the equipment is to be returned to Italy. A copy of the notes on the Bolzano visit accompanies this report.

NOTE: Industry Sub-Commission's monthly report for May is bulky and may be found tiresome, but the month saw the deliverance of the huge industrial capacity of Northern Italy and it has been thought well to put on record for future guidance as much information as is possible.

1. RELATIONS WITH THE ITALIAN GOVERNMENT

During a month of great pressure and of decisive importance to Italy, close contact was held with H.E. Gronchi, the Minister of Industry, Commerce and Labour, and several consultations were held with him. The position of the coal-mining industry in Italy was brought strongly to his attention and he was urged to take all possible steps to improve the production of coal and to study methods of obtaining urgently needed labour to increase Italian production of solid fuel.

2. A.F.L.R.(I) BOARD

The 22nd meeting of the Engineering Materials Committee of the above board was held on 16 May 1945 under the Chairmanship of Brig. D.L. Anderson, CBE, when paint and pigments for paint, varnish, linseed and linseed oil, gas bottles and containers and ammonia were de-controlled. Steel was allocated to A.C. to the extent of 1142.7 tons sections, 34.5 tons plate, 160 tons sheet. Report on the Italian Calcium Carbide industry, submitted by Industry Sub-Commission, was passed to Industrial Gases Sub-Committee. An allocation of ammonia gas to A.C. to the extent of 92 tons was made for civilian use. Cement was allocated and a bid for 1,000 tons for export to North Africa, submitted by CE, MTOUSA, was referred to A.F.L.R.S. (AFHQ) for a policy decision. Raw materials for steel making at the Ilva Steel Works, Piombino, was allocated to A.C. for use in the Italian steel industry.

3. ELECTRIC POWER COMMITTEE, A.F.L.R.S.

At the meeting on 29 May 1945 the allocation of power to the nitrogenous fertiliser plant of the Montecatini Company at Crotone was discussed and the allocation will be reviewed at the next meeting in June. In the meantime, Industry Sub-Commission is studying the possibility of the Nera Montoro nitrogenous fertiliser plant as an alternative, bearing in mind that here power is available. Further allocations of power to the wire drawing plant of Societa Metallurgica Italiana, Lucca, and to the Perticara sulphur mine were granted.

4. DE-REQUISITIONING OF INDUSTRIAL PREMISES

The cessation of hostilities in Italy, whilst it has radically changed the attitude of the Allied Forces towards industrial facilities, particularly in forward areas, has not resulted in the immediate release of requisitioned facilities. On the contrary the space requirements for [illegible] ing and repatriation or transit of [illegible]

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At the same time certain sections of industry which had been serving the requirements of the Allied war effort under direct military control, are now in process of being handed back to the owners' management on a planned programme. These facilities may continue to serve military

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requirements to a greater or less extent. The sections immediately affected are the steel and timber industries in which arrangements are well advanced for certain plants to be de-requisitioned in such a manner as to release a part of their productive capacity for the satisfaction of civilian needs.

The following plants were either de-requisitioned during May or notification obtained of their impending de-requisition in the very near future.

FIRMS DE-REQUISITIONED IN MAY
RELEASED OR TO BE RELEASED IN IMMEDIATE FUTURE

Cesena Textile Warehouse of Ente Fibre Tessili.
Paint and Oil Extraction Plant, Gargano - Bari.
Ilva Steel Works, Bagnoli.
Glue Factory, Pietro D'Avanzo, Naples.
S.A. Cantieri Metallurgici Italiani, Castellammare di Stabia.
Gaslini Oil Extracting Plant - Mola di Bari.
Arrigoni Food Processing Plants Cesena, Sesto Fiorentino and Cattolica.
Steel Works Soc. An. Officine Staiano, Naples.
Wood Working Plant G. Scalora, Bari.
Tobacco Warehouse and Grain Store, Atripalda.
Pharmaceutical Works, A. Menarini & Coy - Florence.
4 Alimentary Paste Factories, Torre Annunziata.
Sugar Plant, Soc. Italiana degli Zuccheri - Rieti.
Tiuggi Mineral Water Plant.
Cigarette Paper Mill, Luigi Boriello, Naples.

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SECTION II - INDUSTRIAL ACTIVITIES

1. SUGAR PRODUCTION

The first shipment of coal and coke in the sugar production programme has arrived in Italy. Rehabilitation work is continuing as scheduled at the plants in the programme and production of sugar is assured during the coming campaign. Production will be a few thousand tons below that planned due to non-fulfilment by local agricultural authorities of the agreed hectareage further complicated by the drought.

It is therefore expected that 8,000 - 10,000 tons of sugar will be produced from these formerly gravely compromised plants. A survey of the beet sugar production facilities of North Italy will shortly be undertaken to co-ordinate the hectareage already planted in that area with the production facilities that will be operable this year. There will be many difficulties to production since the beet processing season is not far away and shortages of coal and coke primarily are expected. In any case a programme will be prepared to ensure maximum possible production under existing difficult conditions. Normally this area had a potential production of about 300,000 - 350,000 tons of sugar annually. If a small fraction of this potential can be utilised considerable shipping space would be saved. In view of the world shortage of sugar as much domestic production as possible will be stimulated.

2. YEAST MANUFACTURE

In view of the world shortage of yeast and urgent needs of the Allied Forces in Italy and civil population a visit was made to the Barletta plant with the purpose of increasing production. It was ascertained that an increase of five tons monthly could be arrived at with existing equipment. Orders were given to increase production to the 40 ton monthly maximum level at this plant. Re-allocation of the production of this plant was recommended to prevent any spoilage due to consumption not taking place within the three day period necessary after the yeast is prepared.

Commencement of operations at the yeast plant of Poggiorcalo (Naples) has been delayed somewhat due to the slow rate of de-requisitioning that was taking place by the occupying unit. This matter was personally cleared with AFHQ, and the rate of movement was expedited. The flow of raw materials to this plant for commencement of production is continuing and materials to the plants operating at Rome and Barletta have been arriving as scheduled so as not to interrupt existing production.

The firm which is the provider of cotton thread for filter-cloth-making finally released the allotted cotton after the most vigorous action taken by this Sub-Commission. The cotton had not been forthcoming in spite of the allocation made by the interested Italian Ministry. The entire production of yeast had been imperilled by this unjustifiable delay.

This Sub-Commission will shortly survey the yeast producing industry in North Italy.

3. FOOD PROCESSING

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The shortage of fuel is compromising the operation of the large S.A.P.A. - G. Arrigoni food processing plant located at Cesena. 500 tons of lignite monthly have been obtained for the Pescia plant of the Arrigoni food-processing Combine and production of jams and pasta is taking place. Tomato processing operations will commence shortly at the Cesena plant, which has been reactivated. The flow of reconstruction materials to damaged food-processing plants is continuing.

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Raw rubber for the fabrication of sealing rings for the canning industry of Southern Italy is in the process of attainment. It is expected that 20,000 - 30,000 tons of tomato paste and other essential food-products will be canned with the aid of this rubber.

4. CAUSTIC SODA, SODIUM CARBONATE, SODIUM BICARBONATE.

Soda Solvay, Rosignano: The Solvay plant in Rosignano was reactivated on 23 May 1945. The officer of Industry Sub-Commission, responsible for the reactivation of the Solvay works, spent a fortnight at the plant (9-23 May) to follow closely the final phase of the rehabilitation work and to eliminate all possible remaining difficulties, e.g.:

Agreements have been made with PBS, HQ, Leghorn, to release an electric power station of the Solvay plant, operated by PBS as standby for the Selt-Valdarno grid in Tuscany.

Technical details have been discussed with the engineers of the plant in order to make adaptations and to improve the thermal balance of the process in accordance with the increased proportion of lignite used.

Difficulties have been overcome with regard to movement of special rail tankers required for transportation of ammonia solutions which are used in the Solvay process (these difficulties arose owing to inefficiency of the Italian Railways Departments in Florence and Leghorn).

Special arrangements have been made locally with the Italian State Railways for a smooth running of the lignite supplies.

The reactivation of the plant produced immediately the following important results in the economic and industrial field:

(a) All requisitions on U.S. and U.K. for caustic soda (including those already approved, but not yet shipped) have been cancelled.

(b) The glass industry in Tuscany was due to close down on 10 June (12 glass factories) with resulting unemployment of 9,000 people due to lack of sodium carbonate. Thanks to the resumed production of the Solvay plant, it was possible to keep these glass factories running.

(c) Three other glass factories have been put into operation in the Florence area. Other and larger glass plants, like St. Gobain and Ricciardi, Naples and Salerno, will start shortly.

(d) There is enough sodium carbonate available at present to meet with ease all requirements for washing of wool and for all other purposes in the textile industry.

(e) New production of pharmaceuticals is being undertaken, thanks to the availability of sodium carbonate, bicarbonate and caustic soda.

(f) The improvement from the point of view of public hygiene is of outstanding importance. All requests of hospitals for sodium carbonate [illegible] without difficulty.

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(e) New production of pharmaceuticals is being undertaken, thanks to the availability of sodium carbonate, bicarbonate and caustic soda.

(f) The improvement from the point of view of public hygiene is of outstanding importance. All requests of hospitals for sodium carbonate and caustic soda for disinfecting purposes can now be met without difficulty.

(g) The black market in caustic soda, soda ash and sodium carbonate is coming to and end and will disappear completely during the next few weeks when the distribution of these products will be felt. An enormous drop in price of these commodities has already occurred.

5. CARBON BISULPHIDE

The main requirements for carbon bisulphide for the second semester 1945 are now in process of review. There will be sufficient carbon bisulphide produced to take care of both grain fumigation and sansa extraction

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requirements. The provision of quantities necessary for rayon manufacture is somewhat doubtful due to the fact that at present it is difficult to foresee how much rayon can be produced during the second semester. However, partial requirements for rayon manufacture can be met out of present production of carbon bisulphide.

6. PHARMACEUTICALS

The following materials were released to the pharmaceutical manufacturers during the month of May:-

Item	Quantity		Number of Concerns participating in the allocation.
Normal Glass Tube	121	quintals	19
Neutral Glass Tube	585	"	81
Sodium Hydroxide	91	"	48
Sodium Bicarbonate	48	"	36
Sodium Carbonate	181.5	"	53
White Vaseline	67.5	"	5
Trichloroethylene	4	"	1
Xylol	2	"	1
Hydrochloric Acid	23	"	1
Ethyl Ether	155	"	1
Carbon Bisulphide	2	"	1

Information is still lacking re the pharmaceutical plants in the North. A survey of the condition of these plants will be made in the first few weeks of June.

7. SUPERPHOSPHATE FERTILIZER

(a) Phosphate Rock

An agreement was eventually reached, between the Italian and French representatives, on the price of North African Phosphate Rock, and on 17th May the first formal contract was signed, for the supply of 24,100 tons of this material by June 30 next.

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Distribution of the above amount (which is the balance of the 98,400 tons called for in April 1944 by requisition) has been decided in agreement with the Italian Authorities, and shipping space has been requested accordingly.

1049

The Phosphate Rock requirements for period 1st July 1945 to 30 June 1946, based on the present knowledge of plants actually operating or able to be operated by the end of this year, is estimated at 700,000 (58 %) tons which can be converted into 1,165,000 tons of superphosphate.

(b) Pyrites.

A Pyrites shipments programme totalling 15,100 tons has been

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worked out on the basis of present stocks and of the Phosphate Rock expected by June 30 next as per (a) above. Requirements after this date are subject to the amount of Phosphate Rock which can be allocated to Italy against the 1,145,000 tons requested. Distribution by rail and sea is proceeding satisfactorily.

(c) Situation of Plants

As predicted in the Monthly Report for April 1945, the Orbetello factory, belonging to the Montecatini Coy., started production of Superphosphate on 8 May, at the rate of 2,100 tons per month, which is likely to be increased soon to 2,700 tons representing 50% capacity. At present the power supply line is under repair so that the 140 KW granted are not yet being delivered. Power is at the moment supplied by a Diesel generator.

This brings to ten the number of plants operating, with a combined output of over 19,000 tons per month or an increase of 12% over the April output.

The Brindisi plant is not yet de-requisitioned, but can start operating immediately it is freed as raw materials are expected during the month. The capacity of this plant is 2,500 tons per month. The factory at Licata (Sicily) is also scheduled for early reactivation.

Repair work on a further 6 plants is proceeding and it is expected that these will be reactivated in the next few months, if phosphate rock can be made available in sufficient quantities. The situation in the North is not yet known in detail, pending information on an inspection now in progress.

8. SULPHURIC ACID

In Tuscany the Puccioni plant at Castelline in Chianti (Florence) is operating, and a second plant ("Etruria" at Compiobbi, Florence) has commenced to produce Sulphuric Acid on 15 April. Superphosphate and Copper Sulphate will also be produced at this factory when raw materials come to hand. The present combined output of these two factories is approx. 500 tons per month of Sulphuric Acid.

9. NITROGENOUS FERTILIZERS - AMMONIA

The Oschiri (Sardinia) plant belonging to Soc. Elettrica Sarda has discontinued the production of Ammonia, having exhausted all available hydroelectric power. Production of Sulphuric Acid and Ammonium Sulphate is proceeding. Production figures since 17 February, when the plant started operation, are as follows:

Ammonia	423.5 tons
Sulphuric Acid	1,459.4 "
Ammonium Sulphate	1,054.9 "

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The Crotone plant of the Montecatini Coy has been granted power until 30 June next. Up to 22 May, 1,270 tons of Ammonium Sulphate had been produced during the month. After that date, production has been stabilized at a monthly rate of 1,500 tons. This is achieved using part of the Sulphuric Acid which previously went into the production of Superphosphate, the rate of production of which has thus fallen to 750 tons per month. This situation could be overcome by activating the remaining three pyrites furnaces (of which 10 exist), which would produce Sulphuric Acid enough not only to maintain the present rate of 1,500 tons per month of Ammonium Sulphate, but also to increase the Superphosphate output to the normal 2,000 tons per month.

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However, this is not considered advisable until the supply of power is assured after 30 June lest the three pyrites furnaces may have to be shut down, which it is best to avoid if possible.

The Nera Montoro (Terni) plant belonging to the Terni Coy., has continued the production of Anhydrous Ammonia, and has started the production of Nitric Acid from Ammonia, having been able to find a small amount of the Platinum-Rhodium needed as a catalyst.

By the end of May, the following total production had been reached since 12 February 1945:

Anhydrous Ammonia	304 tons
Ammonium Sulphate	607 "
Sulphuric Acid	1,135 "
Nitric Acid	282 "

Anhydrous Ammonia has been removed from the list of items controlled by A.F.L.R.S.

10. COPPER SULPHATE

The rate of production of Copper Sulphate from Brass Scrap at the Montecatini Coy's Bagnoli plant is steadily improving, although the May output was hampered by a collapse of the furnace. It is estimated that a total production of approximately 2,400 tons will have been reached by the end of October next, when all factories are expected to start working on imported copper.

Production was started also at Brindisi, although this factory has not yet been completely relinquished by the occupying military units. This plant is expected to produce approximately 800 tons of Sulphate by the end of October.

An additional 1,200 tons of Brass Scrap are estimated to be required by the above two plants in order to effect the scheduled productions.

No production is yet reported in Tuscany, where only one of the three plants scheduled to resume work is operating. The crystallizing vats are being filled and the finished product will become available shortly. It is hoped that approximately 1,800 tons of Brass Scrap will be worked by these factories by the end of October.

11. CALCIUM CARBIDE

Stock on hand at Papigno (Terni) is 712 tons, of which 317 tons are already covered by existing Release Orders in favour of the Services.

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At this plant production is at a standstill owing to lack of coke, for which a request for a monthly supply of 600 tons has been standing unfulfilled since early May. This would allow a monthly output of 600 tons of carbide, which would almost cover the needs of the Services, stated as being 650 tons per month.

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12. INDUSTRIAL EXPLOSIVES

Two firms are now producing mining explosives by unloading ammunition. Amounts produced by the end of May are as follows:

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Bombrini-Parodi-Delfino	(January and February 1945)	60 tons
Polverifici Stacchini	(August 1944 to May 1945)	256 tons

The present combined rate of production of the above factories is approximately 90 tons per month. Paraffin wax is one of the essential materials and is in extremely short supply.

13. MECHANICAL AND AUTOMOTIVE INDUSTRIES

This report covers the work of the Mechanical and Automotive Industries Division for March, April and May 1945.

During this time this Division has been preoccupied exclusively with the problem of finding sources of motor spares for Italian Autotransport. A critical shortage of spare parts then existed because all production of the oparts is concentrated in Northern Italy which was then occupied by the Germans.

Under the encouragement of AC HQ the Italian Government in November 1944 sponsored an organisation, P.R.A. (Produzione Ricambi Automezzi) for production and distribution of critical auto spare parts.

This Sub-Commission in December 1944 advanced a plan for investigating the possibility of repatriating auto spare parts from former Italian colonies. It was believed that a supply of such spares might be available for repatriation from the huge stocks of motor spares which were shipped to the colonies before and during the war.

The result of several approaches on this subject to AFHQ by Industry Sub-Commission was that a request was received from Mideast GHQ through AFHQ G-5 Section for representative of AC HQ to proceed to Alexandria to identify for shipment to Italy motor spares held in the Captured M.T. Stores Depot Wardian at Alexandria.

The Captured M. T. Stores Depot at Wardian, is a collection depot where all captured, salvaged and requisitioned stores of motor spares were directed from Tripolitania and Cirenaica. The Depot served as a distributing depot of Italian made spares for the Middle East and East Africa.

The stocks of Italian made motor spares held in the Alexandria Depot were depleted at the time, but about 450-500 tons of spares were still available for shipment to Italy. Among these spares were such critical items as pistons, piston rings, transmission and differential gears, gaskets, air cleaners, timing chains and a number of motor blocks and complete motors.

The bulk of the spares assembled in the Alexandria Depot was shipped to the 525 Motor (Ord) Depot, Asmara, Eritrea. Brig. G.E.B. Mount, Q(AE), GHQ, MEF suggested investigation of this Depot, in order to identify the spares which might be sent to Italy.

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The spares collected at 525 Depot include a diversified selection of the most critical items needed in Italy. Among these items were many ball bearings, gaskets, semi-axles, differential parts, brakes, brake linings, timing and transmission gears, universal joints, etc., also electrical equipment.

The estimated quantity of spares available for shipment from this Depot to Italy is about 1,000 tons.

After completion of this investigation Brig. G.E.B. Mount, Q(AE) GHQ, MEF, approved the shipment to Italy of the surplus Italian and German made motor spares irrespective of types or condition after the requirements in spare parts of the local military and civil organisations were fully provided for.

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Thus total shipments to Italy will be:

450-500 tons of spares from the Alexandria Depot
800-1000 " " " " Eritrea (Asmara) Depot.

In addition about 50-75 tons of spares will be shipped from the U.S. Army Ordnance Depot at Cairo.

Under specific instructions from A.F.H.Q. to M.E.F. all captured and requisitioned stores of spare parts are being consigned to the Land Forces Sub-Commission (MMIA) with the understanding that their distribution between the military and civil organisations is to be arranged between A.C. HQ and MMIA.

The situation with regard to the captured Italian motor tyres was also investigated in Egypt. This investigation showed that Q (AE) MEF uses Italian metric tyres interchangeably with the standard American and British tyres. The only exceptions are 42 x 9 tyres which are used on Italian heavy (7 and 10 tons) trucks only: 2000 of these tyres are available for immediate shipment from a stockpile of about 4000 - 5000 tyres.

Furthermore, there is in Mideast a large stockpile of tyres 6.50 x 16 (jeep size) and 7.00 x 16.

All releases of all the above mentioned tyres must be cleared through the British War Office.

Several conferences were held with the representatives of the Foreign Economic Administration (Mideast Mission), Middle East Supply Centre and Brig. G.E.B. Mount, Q (AE), GHQ, MEF regarding scrapped and discarded tyres.

It was disclosed that about 300,000 scrapped and discarded tyres are collected in Alexandria and Port Said. These tyres are being stripped of rubber which is shipped to India. The stockpile of these discarded tyres contains many new metric sizes but the Depots have neither personnel nor facilities for sorting their stockpiles. Furthermore the supply of stripped rubber is larger than requirements of the Indian tyre plant, and, therefore, only the Port Said stripping plant is in operation. A request has been made through G-5 AFHQ for an allotment of these tyres for shipment to Italy.

14. SULPHUR

The grinding of sulphur in central Italy for agricultural purposes is proceeding satisfactorily and deliveries to the various Consorzios from 1st to 27 May were:

Rome Ostiense	40 tons
Ceprano	30 tons
Littoria	30 tons

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It was disclosed that about 300,000 scrapped and discarded tyres are collected in Alexandria and Port Said. These tyres are being stripped of rubber which is shipped to India. The stockpile of these discarded tyres contains many new metric sizes but the Depots have neither personnel nor facilities for sorting their stockpiles. Furthermore the supply of stripped rubber is larger than requirements of the Indian tyre plant, and, therefore, only the Port Said stripping plant is in operation. A request has been made through G-5 AFHQ for an allotment of these tyres for shipment to Italy.

14. SULPHUR

The grinding of sulphur in central Italy for agricultural purposes is proceeding satisfactorily and deliveries to the various Consorzios from 1st to 27 May were:

Rome Ostiense	40 tons
Ceprano	30 tons
Littoria	30 tons
Assisi	15 tons
Terni	35 tons
Arezzo	35 tons
Foligno	15 tons

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From perusal of rail and shipping bids it is gratifying to note that the movement of Sulphur in Southern Italy and Sicily is proceeding along the general lines as laid down by Industry Sub-Commission prior to the Italian authorities assuming responsibility.

Local agricultural and industrial requirements are being met. Sicilian refineries are operating and 10,401 tons of Sulphur were despatched

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to Sicilian refineries between 1 Feb. and 19 May. Grinding and processing is now proceeding at a rate of 1,700 tons weekly thus producing a surplus, which by arrangement between the Ministry of Industry, Commerce and Labour and the Ministry of Agriculture is coming forward is coming forward to the mainland.

It is anticipated that demands will soon be forthcoming from the North. These can be met from the stocks at Cabernardi and Perticara, which stocks have been held back in anticipation of this possible demand.

15. TOBACCO INDUSTRY

General - The situation of the State Monopoly is rather confused. In fact it is reported that AMG Lombardia Region appointed - upon recommendation of the C. AI - a foreman of the Milan Tobacco Factory as Commissioner of the State Monopoly. The financial administration of the Monopolies is being carried out by AMG, proceeds have to be delivered to them and they provide payment of wages and supplies of raw material, etc.

Prices - In some Regions the prices of 3 April 1944 are in force, i.e. those established by the Fascist regime whilst other Regions have introduced the prices established by the State Monopoly, Rome, on 23 December 1944 as per list attached to Commerce Sub-Commission letter AC/5136/Commerce, dated 5 April 1945. Whilst the latter foresees for instance a price of Lire 1.40 for one cigarette "Nazionali" against the present price of two lire, the price of 3 April 1944 was Lire 0.50 only.

Revenue - As there is no rationing in the North, speculators are able to buy tobacco products at higher than official prices in order to export them to Central and Southern Italy for resale at black market prices. This situation results in an enormous loss of revenue, the amount of which can be estimated if it is considered that the State Monopoly delivered to the Treasury for the period 1-20 May 1945 (for Central and Southern Italy only) a revenue amounting to 512,511,999 lire. It is pointed out by the State Monopoly that the price of 2 April maintained by the Fascist regime for political reasons only, represents a considerable loss as the price does not cover the cost of cigarette making. Therefore no revenue would result.

Through the appointment in Northern Italy of a Commissioner for the State Monopoly Administration the management of Rome is unable to control the factories, warehouses, and plantations located in those areas.

As a further result of this situation it is not possible to exchange raw materials and finished products between the South and the North as done in the past. Owing to its climatic conditions Southern Italy grows mostly light tobacco which is indispensable for cigarette making. Northern Italy produces dark qualities suitable for cigars only.

The industrial equipment of North Italy supplied cigarette and

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The industrial equipment of North Italy supplied cigarette and carton paper, machinery and other needed materials to the tobacco factories in Southern Italy.

The unification of the two separate administrations under the direction of the Rome State Monopoly is therefore considered essential, particularly in the interests of the State. According to a statement made by the State Monopoly the loss in revenue is about Lit. 1,000,000,000 monthly.

Production - In this respect the situation on the whole is satisfactory. In spite of considerable damage caused by bombing, the tobacco manufacturing machines are safe and production is carried on in temporary buildings. Almost all factories need urgent supplies of coal and raw tobacco.

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The quantities of coal required by the tobacco factories are limited and it is therefore believed that they could be met from local stocks. The tobacco factory of Turin for instance needs only 25 quintals of coal per day. By allocation thereof 1500 workers can be employed.

Factories - The situation of factories is as follows:-

Location	Operating condition	Type	Quantity Produced per year
Genova-Sestri	Operating at full scale	Cigars & Cheroots	220,000 Kg.
Turin	Could produce 70% of its normal output if coal or lignite is allocated.	Cut tobacco Cigars & Cheroots Cigarettes	1,225,000 Kg. 310,000 Kg. 1,860,000,000
Milan	The factory premises are destroyed. Is working in temporary premises and produces 50% of its normal output.	Cigarettes Cigars & Cheroots Cut tobacco	1,700,000,000 100,000 Kg. 815,000 Kg.
Verona	Destroyed. Is working in temporary premises.	Cigars & Cheroots	130,000 Kg.
Venice	The factory is intact and is operating at maximum capacity. Stocks of paper, fabric-bands and blades are sufficient to carry on peak production until 31 July 45. 500 tons light tobacco are required. Bid has been put in for transportation from Lecce to Venice by sea. Rationing on the basis of 30 grms (30 cigarettes or 5 cigars) per person per week will commence as soon as the Ministerial Decree of 24 November 44 authorising increased prices is implemented. (Report from Venezia Region Finance Div. dated 17 May 45).	Cigarettes Cigars & Cheroots Cut tobacco	1,800,000,000 100,000 Kg. 955,000 Kg.
Bologna	The factory is damaged and the warehouse requisitioned.	Cigarettes Cut tobacco	3,350,000,000 1,350,000 Kg.

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Bologna	The factory is damaged and the warehouse requisitioned. It could work however at 70% normal capacity if lignite is allocated. Supply of tobacco has been provided for.	Cigarettes Cut tobacco	3,350,000,000 1,350,000 Kg.
Modena	Part of the factory is destroyed. However it could produce 75% of normal capacity if coal is allocated and light tobacco supplied.	Cigarettes Cigars & cheroots	3,350,000,000 130,000 Kg.

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Cigarette Paper.

Situation of the cigarette paper factories in North & South Italy

Brodano (Bologna) : the factory is intact but the machinery was hidden and is being assembled. Production can start by August 45.

Maglio (Bologna) : Completely destroyed.

Ormea (Genova) : Working, raw material sufficient until the end of July.

Serravalle (Piemonte): Working, raw material sufficient until the end of July, but its production is insignificant.

Cartiera Meridionale - Isola del Liri : Will start production of cigarette paper by 10 June 1945.
36 tons of coal have been allotted to the Factory.

Raw materials for cigarette paper manufacture

Italy has no cellulose production. Normally this was imported from Austria and Jugoslavia. As these sources at present are not available, the use of canvas rags has been substituted.

In order to ensure the latter for the cigarette paper industry, this Sub-Commission has requested all regions to block canvas rags for this purpose. In the South canvas rags from Allied sources are being released to the paper industry.

Supply of Cigarette Paper

The State Monopoly purchased 100 tons cigarette paper from the Ormea Paper Mill for delivery at Milan, 50 tons of which are destined to the Florence Tobacco Factory. 2.000.000.000 cigarettes should therefore be produced during June - July.

Cigarette ration for Italian Armed Forces

According to recent decisions taken by AFHQ G-5 Section, the ration for Italian Armed Forces which up to the present was 180,000,000 cigarettes per month is now 100,000,000 only, effective as from 1 June 1945. With this cut the critical cigarette situation is considerably alleviated and a cut in the civilian ration avoided.

Lignite for Tobacco Factories

Negotiations are in course between the State Monopoly and the Soc. Toscana Lignite, Florence for the supply of lignite to all their factories from the mines at Poggio Avane and Carpineto. The S.T.L. has a stock of 20,000 tons of lignite and a direct production of 20 (twenty) tons and is therefore able to meet the requirements of the State Monopoly.

16. FUNGICIDES, NICOTINE SULPHATE AND TOBACCO EXTRACT

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Bari - Production at this plant was held up owing to lack of coal but can now be resumed as arrangements have been made with UPIC Bari, through AFHQ Coal Section Officer, for coal to be supplied to the Bari Tobacco plant. 4170 kilograms per month of Tobacco Extract can be produced.

Cava dei Tirreni - Work here too was held up through lack of coal but an allocation of 24 tons was made at Naples on 11 May. However work is now held up owing to a breakdown in the installation plant. It is foreseen that production will be resumed about 20 June 1945 with an output of 3/4000 kilograms Tobacco Extract per month

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17. MATCH INDUSTRY

General: The match situation is very favourable: the factories in Northern Italy are all working, except those at Moncalieri (Turin) and Casale Monferrato (Piemonte), which are stopped owing to lack of wood and sulphur. The Consorzio Industrie Fiammiferi jointly with this Sub-Commission is endeavouring to ensure the supply of these materials which are available in Italy.

Stocks of Matches: There are 44,400,000,000 matches available in Italy and ready for distribution, besides the actual production, which is given below.

The prewar consumption of matches in Italy was 140 matches per person per month. On this basis the six months' requirement of 22,000,000 people living in the North

amount to	18,480,000,000 matches
adding a reserve of	10,000,000,000 "
the total stock for Northern Italy is	28,480,000,000 matches

The balance of 16,000,000,000 is available for Central and Southern Italy.

Upon a proposal by C.I.F., Lombardia and Piemonte Regions have been requested to release this quantity to the territory under jurisdiction of the Italian Government. C.I.F. would provide for transportation of these matches to the South and their distribution to the population therein.

Rationing: The sale of matches in Northern Italy is free. After the arrival of an adequate portion of the 16,000,000,000 matches, C.I.F. will propose to the Ministry to abolish rationing in the territory under their jurisdiction as from 1 July 45.

This Sub-Commission is in agreement with this proposal since all the factories in Central and Southern Italy are working and the reconstructed plant at Putignano Pisano will resume production during this month.

Revenue: From the free sale of matches in the South, according to a statement of C.I.F., additional State revenue of Lire 1,117,000,000 per annum will result.

Prices: Contrary to instructions given by Economic Section this HQ to the Northern Regions, to maintain prices of Monopoly goods on the level of 3 April 45 AMG 5th Army instructed the regions under their jurisdiction to introduce as from 15 May 45 the prices which were in force in Southern areas from December 44 to 15 March 45. C.I.F. instructed their Milan office to extend latter prices to the whole of Northern Italy. These prices are double those in force on 3 April 45 and half of present prices in force in Southern Italy.

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As in Northern Italy there is no rationing, speculators are already buying matches and selling them in the South at black market prices. In order to stop this illegal procedure which results in a considerable loss of revenue, C.I.F. submits that prices be brought to the same level both in the North and South. This could be done by increasing the prices in the North by about 20% and reducing those in force in the South by about 37%.

This Sub-Commission is in agreement with this proposal, which however, can be effected only when agreement is reached between Economic Section this HQ and the Ministry of Finance.

Export: There is an availability of 3,296,409,400 matches at the SAFFA plant in Magenta. These matches are unstamped as they were destined

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for exportation but could not be despatched owing to German occupation and war events in Italy. These matches could be sold in Italy only if stamped. As however large stocks are available for domestic consumption, SAFFA suggests that the unstamped matches be exported to other countries where shortages exist. A programme is under way.

Productio figures of the Italian match plants:

Location	Production capacity per month	Actual production per month
Magenta (Milan)	4.500.000.000	1.375.000.000
Moncalieri (Turin)	300.000.000	Inoperative owing to lack of wood & sulphur.
Naples	420.000.000	300.000.000
Perugia	420.000.000	300.000.000
Asti (Piemonte)	500.000.000	The plant is working but actual production figure not available.
Jesi	500.000.000	25[illegible].000.000 (reduced production due to limited power supply)
Este (Venezia)	420.000.000	75.000.000 (plant in good condition; reason of reduced production so far unknown).
Fucecchio (Florence)	420.000.000	125.000.000 (resumed production recently having been rehabilitated. Reduced production owing to limited power supply).
Putignano (Pisa)	900.000.000	Reconstruction in course is expected to resume production during June

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Fucecchio (Florence)	420.000.000	125.000.000 (resumed production recently having been rehabilitated. Reduced production owing to limited power supply).
Putignano (Pisa)	900.000.000	Reconstruction in course is expected to resume production during June July 45.
Trofarello	165.000.000	Plant is intact & operating. Production figure so far unknown.
Casale Monferrato	125.000.000	Inoperative owing to lack of wood & sulphur.
Empoli	85.000.000	85.000.000
Pontorme	165.000.000	165.000.000

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Location	Production capacity per month	Actual production per month
S. Giovanni Gemini (Sicily)	1.000.000	Shut down.
Benevento (Prop. De Nigris)	42.000.000	Limited production owing to lack of raw material.
Fordi (Frosinone)	17.000.000	17.000.000
Valguarnera (Sicily)	12.500.000	After liberation did not deliver matches to C.I.F.
Benevento (Propr. Fucci)	20.000.000	20.000.000
Benevento (Propr. Marsiglia)	42.000.000	Undamaged - No figures available.
Veroli	5.000.000	Inoperative owing to lack of raw materials.
Borgo S. Lorenzo	20.000.000	Damaged - Rehabilitation in course.
Udine	500.000.000	10.500.000 Figure cannot be correct as the plant is reported intact and clearance has been requested.

Total production capacity per month ..... 9.679.000.000 matches
actual production per month ..... 2.722.500.000 "
To be increased in about a month's time to ..... 4.500.000.000 "

Raw Material Situation: All the raw materials needed for the manufacture of matches except paraffin, are now available or are being produced in Italy. This also refers to Potassium chlorate and Sesquisulphide phosphorus which are produced at S.A.F.F.A. This firm intends to reconstruct the destroyed chemical plant at Spoleto. For the production of Sesqui Phosphorus the import of phosphorites will be necessary; Phosphorites are available in Tunisia.

Paper in general is in very short supply and owing to the lack of cellulose its production will become yet more difficult. Some paper mills are using straw instead of cellulose.

For'i (Frosinone)	17.000.000	17.000.000
Valguarnera (Sicily)	12.500.000	After liberation did not deliver matches to C.I.F.
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Paraffin: A request for allocation of this item is being submitted to Commerce Sub-Commission, P.O.L. Section. 1044

Glue: The requirements of the C.I.F. can be met by the S.A. Montecatini. Small stocks are available and production has recommenced.

Sulphur and Wood for the factories in Piemonte: Piemonte Region will be contacted with a view to allocate - if necessary - transport facilities for the procurement of these two materials for the factories at Trofarello and Casale-Monferrato, which are temporarily shut down.

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18. TYRES - AUTOMOTIVE AND BICYCLE

(a) Michelin - Turin

This factory was built in 1930 and is owned by Michelin Co. of France. Production is only of automotive and bicycle tyres. Production capabilities now are the same as in 1938 except for the usual difficulties to be encountered in resuming operation after a long period of idleness.

Capacity 1938

Auto	Motor cycle	Bicycle
486,400	31,500	1,303,000

Estimated Present Capacity (per day)

1,745	100	3,500

The factory at present has a small stock of materials and is producing sufficient tyres to equip new trucks and cars now being produced by FIAT (Turin). This stock will probably be exhausted before materials on requisition arrive.

(b) Pirelli - Milan

The tyre section of this large concern was relatively undamaged and production will not be noticeably affected after the initial resumption of regular operations. Like Michelin, they have a small stock of materials with which they are now producing tyres.

Capacity 1938

Auto	Motor cycle	Bicycle
900,000	65,400	3,000,000

Estimated Present Capacity (per day)

2,500	220	10,000

(c) FRIC T- Turin

Practically undamaged. Capacity 1942: 1,200,000 bicycle tyres.

(d) Pirelli - Tivoli (Rome)

The final phase of reconstruction of the Tivoli Factory is now [illegible] that tyre production could

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Practically undamaged. Capacity 1942: 1,200,000 bicycle tyres.

(d) Pirelli - Tivoli (Rome)

The final phase of reconstruction of the Tivoli Factory is now nearing completion. The factory was so repaired that tyre production could have begun in January 1945, but since raw material and two machines were not made available, permanent reconstruction was undertaken. It is interesting to note that more damage by bombing was done to this small plant than to the remaining Pirelli and Michelin industries. The number of bomb hits at Tivoli was about five times that of the other areas. Complete reconstruction will be effected by the end of June 1945. The necessary machinery (extruders) was located in Milan and preliminary arrangements for transfer have been made. AFHQ have given informal advise that raw material will arrive in six or eight weeks.

General rubber article production is under way. The daily average sole and heel production is for the moment: 4500 pairs of heels and 1500 pairs of soles. These are made from reclaimed rubber.

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General and Technical Articles

Both Pirelli Factories (Milan and Tivoli) and Fright Co., Turin are in condition to produce almost any type of general or technical rubber goods.

Electrical Cable

This section of the Pirelli Factory at Milan received the most damage, primarily because it is located next to the Breda Arms Works. Limited production can be effected from material on hand. This portion of the industry consists of a number of Pirelli owned, controlled and associated firms scattered over Northern Italy. All of these are in fair condition and can soon be depended upon for adequate production.

Synthetic Rubber (S.A.I.C.S.) Ferrara

It is estimated that production of synthetic rubber (Buna S) can begin in 4 to 6 months, if arrangements can be made to recover the machinery confiscated by the Germans. This machinery is known to still exist. Production capacity of this factory is 650 tons per month. Basic raw materials required: Alcohol and Benzol.

Rubber Raw Material Status

Small stocks of rubber were found in the Pirelli and Michelin Works.

Rubber requisitioned several months ago will supply us with approximately 159,000 usable tyres. Commerce Sub-Commission reports its demands to be approximately 100,000.

Tyre Repairing and Retreading

Materials arriving against requisition L&C Airgram 94 dated 7 January 1945 are being collected by the Pirelli Coy., which has been charged with supervising control over tire repair shops to be used by A.C.

Reclaimed Rubber

Rubber reclaimed from salvage furnished by the U. S. Ordnance is being produced at the rate of 1800 kg. per day. Reclaimed rubber from the process of the factory now in use cannot be used for tyre production but can be used for most types of general and technical articles.

Coal

The total coal monthly requirements for the rubber industry are estimated to be 7,000 tons per month.

19. CEMENT PRODUCTION

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Rubber Raw Material Status

Small stocks of rubber were found in the Pirelli and Michelin Works.

Rubber requisitioned several months ago will supply us with approximately 159,000 usable tyres. Commerce Sub-Commission reports its demands to be approximately 100,000.

Tyre Repairing and Retreading

Materials arriving against requisition LAC Airgram 94 dated 7 January 1945 are being collected by the Pirelli Coy., which has been charged with supervising control over tire repair shops to be used by A.C.

Reclaimed Rubber

Rubber reclaimed from salvage furnished by the U.S. Ordnance is being produced at the rate of 1800 kg. per day. Reclaimed rubber from the process of the factory now in use cannot be used for tyre production but can be used for most types of general and technical articles.

Coal

The total coal monthly requirements for the rubber industry are estimated to be 7,000 tons per month.

19. CEMENT PRODUCTION

During the month a substantial increase in cement production was obtained at the Colleferro and Guidonia plants, and there is every hope that this will be further increased during June.

1643

Soc. Italcementi Monopoli produced 950 tons of cement, the main reason for low production being the lack of gypsum and electric power, the latter due to the fact that the firm at the outset of operations only requested enough power to prove the machinery. This point has been taken up with the power company and an increase has been promised immediately. Gypsum has now been delivered to the plant.

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Soc. Cementerie dell'Ionio, Taranto, produced only 200 tons of cement and no more cement can be produced until transport is available to ship raw materials from their Montegiordano mine to the plant. Every effort is being made to rectify this.

The position at Bagnoli remains unchanged and no improvement can be expected until belting is procured for the conveyors.

Vibo Valentia plant commenced production on 27 May and it is expected to produce at least 1,500 - 2,000 tons of cement during June.

TABLE I

Production Figures for May

PLANT	TONS	TYPE 500	TYPE 350-400	REMARKS
Colleferro	6,500	all	-	+ Increase over estimate of 500 tons.
Guidonia	3,755	2,563.9	1,191.9	+ Increase over estimate of 755 tons.
Monopoli	950	all	-	
Bagnoli	1,950	-	all	
Taranto	200	all	-	

Total: 13,355 tons, an overall increase of 3,861 tons over previous month

TABLE II

Estimated Production for June

Colleferro	Guidonia	Monopoli	Bagnoli	Taranto
6,000 tons	3,000 tons	3,000 tons	2,000 tons	NIL

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TABLE II

Estimated Production for June

Colleferro	Guidonia	Monopoli	Bagnoli	Taranto
6,000 tons	3,000 tons	3,000 tons	2,000 tons	NIL

Total estimated: 14,000 tons plus any production from Vibo Valentia.

Production at Italcementi Fabbriche Riunite Cementi, Villafranca, Tirrena, Sicily for the month of May totalled 1,740 tons type 500, of which 1,400 tons remain in stock at 31 May 1945, together with a stock of 608 tons 350 type. The question of surplus stock was taken up with the Ministry of Industry, Commerce and Labour with a view to having this made available on the mainland. It was stated that this was all required for work in the Island and

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that production was not sufficient to meet demands. This statement is not correct as according to returns received weekly at this HQ 608 tons of 350 type cement has been in stock from 21 April 1945. The matter has again been taken up with the Ministry of Industry, Commerce and Labour.

20. STEEL PRODUCTION.

Release notes against final allocations for the month of June were received.

Service	Sections	Plate	Sheet
A.C. (	1,142.7	34.5	160
)	565	160	240
(	19.6	382.5	
Total	1,727.3	577	400

21. MINING

(a) Sardinian Coal

Production and sales data received from the Chief Mining Officer, Sardinia for April are as follows:

	Metric Tons
Stock on hand 1 April 1945	8,708
Production April	28,650
Reclaimed coal April	4,328
Total	41,686
Sales April	
Local Sardinia	12,458
Export	8,300
Total	20,758
Stock on hand 30 April	20,928

The estimated production for May is 37,000 metric tons. Actual production and sales data are not yet available.

Production throughout April averaged only 1140 tons per working day. This reduction was caused by the

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The estimated production for May is 37,000 metric tons. Actual production and sales data are not yet available.

Production throughout April averaged only 1140 tons per working day. This reduction was caused by the slow-down strike which was in effect until 19 April. During this period coal production dropped to less than 800 tons per day.

During the month of May the reorganisation of the Sardinian 1942 mines management was completed. Engineer Bruno Sanna, the Commissioner, was removed and was replaced by Dott. Chieffi. Engineer Rostan was appointed General Manager of the mines. These men are now in Sardinia and are taking positive steps to control the difficult labour situation.

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Production during the month of May has returned to normal. There has been a slight increase in the number of underground workers, but the production per man has dropped slightly. There were many holidays during May such as VI Day, VE Day and Church holidays with the result that total monthly output was reduced.

The timber situation during May reached a critical point and one mine was completely out of pit props by the time a ship arrived. Present pit props supply is sufficient for only two weeks. This important matter has been taken up and assurances have been given for 6,000 cubic metres of pit props to be supplied before 30 June. This will be sufficient to produce approximately 120,000 tons of coal.

During the period between the removal of Ing. Sanna and the arrival of Ing. Rostan in Sardinia there was absolutely no control over labour. The men ignored the supervisor under threats of strike and violence and stole quantities of explosives and mine timber. The explosives were used as noise-maker during celebrations. The pit prop lengths were taken home by the workers for firewood. This has been explained to the Italian Government who have taken steps to stop the practice. Engineer Rostan states that in time with proper backing he should be able to straighten out this matter.

The political situation is uncertain with considerable mud slinging by all parties through the local papers. There have been no open acts or threats, however, although it is possible that some spontaneous strike may be called.

(b) Lignite Production Italian Mainland

The estimated production for May is 45,000 metric tons. Potential production is considerably more.

The same situation is in effect as previously reported, handicaps of transportation, stockpiles, and financial difficulties.

The lignite mine of Ribolla will not meet the production schedule as planned for May due to a lack of workers. Application for 400 more workers has been made but they seem difficult to obtain.

A report "Lignite and Solid Fuels of Italian Mainland" has been completed.

(c) Metal Mines Sardinia

The metal mines of Sardinia continue on a maintenance basis the only activity being production of paint pigments for Armed Forces.

(d) Mainland Metal Mines

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(d) Mainland Metal Mines

Mercury: Carpine-Siele Mine of Soc. An. Stabilimento Minerario del Siele is in a position to produce one half of its pre-war scale.

Abetina Mine of Soc. An. Mineraria Argus is on maintenance basis.

Abbadia San Salvatore mine of Soc. An. Mineraria Monte Amiata is producing at 60% of its normal scale.

(e) Pyrites.

Niccioleta Mine is on maintenance basis and repairs to the haulage ways are in progress. It is estimated that the mine can enter the production stage by mid-July. Pyrite from the stockpile at Scarlino is being shipped by sea from the Port of Postiglione. 4,995 tons were so shipped during May.

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Very little pyrite is now being shipped by rail.

(f) Tin.

Monte Valerio mine of AMNI has received an allocation of power sufficient to run the mine on 1 shift and the mill on 2 shifts. Operations will commence in the early days of June.

(g) General.

During the latter part of the month the principal mines of the Veneto and Venezia Tridentina were visited.

The principal data disclosed by the trip are as follows:-

(i) The personnel and records of the Bologna, Padua and Trento district offices of the Inspectorate of mines are intact.

(ii) The British owned Zinc and Lead mine of Cave del Predil, in the province of Udine, and the Lead-Zinc mine of Monte Neve in the province of Bolzano are intact.

(iii) The Cludinico coal mine in the province of Udine has been operating since 1940. Providing an adequate labour force can be built up the mine can rise to a production of 70 to 80 tons per day.

(iv) The Pulli mine in the province of Vicenza producing brown coal and oil shale can build up production of 50 to 60 tons of mined fuel per day.

(v) The Calceranica Pyrite mine in the province of Trento is intact and could recommence production immediately.

(vi) The San Remedio Oil Shale mine also in the province of Trento is undamaged. The shale is ichthyolitic in origin and while it has no value as a fuel various products are made which have applications in pharmacy and in industry. The fuel oils which can be distilled are too high in sulphur for application to internal combustion engines. Reports are in preparation on all the properties mentioned by name in the preceding paragraphs.

(h) Sulphur Division

Lt. Comd. Pollard, Chief of the Sulphur Division, is on tour in Southern Italy.

Production and shipment data for Sicilian mines for the month of April were as follows:

	Metric Tons
On hand 1 April 1945	9,567
Production April	4,292
Shipped from Mines, April	6,965

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	Metric Tons
On hand 1 April 1945	9,567
Production April	4,292
Shipped from Mines, April	6,965
On hand 30 April	6,894

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During the month Lt. Comd. Pollard spent two weeks in Sicily.

Repairs have been started on the power transmission line which will serve Cabernardi mine.

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(i) Supplies

Lt. Spencer, the Supply Officer of the Mining Division, is on a visit to Lombardy and Piedmont to study the possibility of obtaining supplies from Northern Italy.

In general the supply position is satisfactory, supplies requisitioned for the lignite mines are now arriving in small quantities.

Expendable supplies now on hand are sufficient to handle present operations for a period of three months.

22. BRICKS, GLASS, CERAMICS

Production figures for May are unchanged for brick, glass, ceramics, and lumber. One plant of the St. Gobain company at Pisa is prepared to start production of rolled flat glass and a request has been made for the necessary fuel.

23. ELECTRIC BATTERIES

The firm of Hellesens has been brought into contact with the Requisitioning Branch and arrangements made to supply 40,000 dry cells against the needs of various public safety agencies.

24. TEXTILE INDUSTRIES

(a) General

According to preliminary reports received by this Division about 90% of the textile plants in Northern Italy are undamaged. This information will have to be substantiated by a technical survey which will be carried out, during the immediate future, by a textile engineer from this HQ.

From the above reports it can be assumed that the stocks of raw materials existing in Northern Italy, if any, will be negligible and even should there be any hidden stocks these will inevitably be exhausted in a short time.

In fact according to latest intelligence reports, textile plants in the North have been working on a very reduced scale for 12 to 18 months, due to the lack of raw materials and coal. The unemployment of more than 300,000 operatives who are engaged by the Northern Italian Woollen and Cotton industries would present a source of serious social unrest in addition to the economic misery and disease which would inevitably follow. In order that moral degeneration caused by unemployment be arrested and possible unrest prevented, Textile Division has submitted provisional requisitions for 156,300 tons of cotton, 44,000 tons of wool and 13,500 mt. of rags and has recommended that these requisitions should be considered as goods coming under category A. At this stage, no demands have yet been made on overseas sources for spare parts, as normally Italian industry provided a substantial portion of its requirements of such commodities and from

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(b) Cotton Industry

Considerable progress has been made with the rehabilitation of the cotton plants in Central Italy. Cucirini Cantoni Coats, cotton sewing thread manufacturers in Lucca, have increased their daily production during the month of May from 1,350 Kgs. to 1,500 Kgs. It is hoped that in June further increases will bring their production to 2,000 Kgs. per day. Electric motors have been bought by this firm to replace in part those removed by the Germans, giving the possibility of producing within a short

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time 2,500 Kgs. per day. In the meantime cotton has been made or will be made available from various sources, by Ord (Br) for military requirements and from Sicily for civilian requirements. All facilities have been given to the above firm to transport Sicilian cotton to their plant: 250 tons have already been received and further lots are on their way, which, together with the cotton imported for military requirements will allow the production of 2,000 kgs. per day to be maintained for a further six months. It is hoped that then requisitions placed under the Industrial Reconstruction Programme will be met.

Three important spinning factories have started their production during this month: Cotonificio di Spoleto, Cotonificio Piaggione and Filatura di Villa Cortese.

Cotonificio di Spoleto received an allotment of 200 KW of electric power and this firm, whose machinery ia in very good condition, started to work on May 10 with 27,000 spindles producing 1,000 kg. of yarn per day.

A small quantity of Sicilian cotton (45,434 kgs.) is already at the plant of Piaggone in Lucca who have started the production of 1,000 kgs. of yarn per day. If raw materials are supplied, production is expected to increase.

Cotonificio di Villa Cortese started production on 15 May with 16,000 spindles and has produced 5,000 kgs. of yarn in a fortnight. If more power is made available, production can be considerably increased.

No figures are available yet as to the production of the plants in the North, but it is assumed from various sources that these plants are working only 1 day per week on staple fibre with a reduced number of workers in order to limit the dispersion of skilled labour and maintain the machinery in working condition.

Production of cotton goods for May 1945:

Sewing thread	50,000 kgs. (Approx).
Yarn	138,000 "
Pieces goods (grey)	790,000 mts.
" " (bleached)	152,000 "
" " (printed and dyed)	332,000 "

In addition certain technical articles, e.g. filter cloths have been made. 20,000 kgs. of yarn produced by Manifatture Cotoniere Meridionali have been allotted to the following hosiery manufactures which have started to work in May:

S.A.I.C.A., Portici.

I.N.C.A., Naples.

HELIOS, Rome.

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Production of piece goods does not show a sensible increase on those of the previous month which is largely due to a strike in the plants of Manifatture Cotoniere Meridionali. 1040

(c) Woollen Industry

Further progress has been made by the production of woollen goods in the woollen centre of Prato after the allocation of electric power effected during the month of April. 1,200,000 metres of piece goods and blankets

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have been produced during the month of May and it is assumed that, if raw materials are made available, production will rapidly increase to more than 50,000 mts. per day. The chief problem facing this industry will now be that of raw materials. For this reason this Division has submitted a requisition for 9,900,000 lbs of rags which will probably be supplied from the "Turkish Stockpile", through the U.S.C.C. and U.K.C.C.

Lanificio di Pontefelcino which had been seriously damaged by the Germans started production in May of 1,000 kgs. of yarn per day.

The figures for artisan production are not included, as details are not available, but it is known that such production is being maintained.

Up to now no particulars have been received on the production of woollen goods in Northern Italy, but various reports state that the plants are working with a reduced number of workers for 4 - 5 days per week. Unfortunately the small stocks of wool and rags of local production are sufficient for only 2 - 3 months; thereafter, if no raw materials are imported against the requisitions submitted for these items, the plants will be completely inactive.

25. LEATHER INDUSTRY

Though not all the figures for production of leather during the month are available, the returns received are most unsatisfactory.

Making all allowances for the difficulties in respect of transportation, it is considered that the output which is expected to be even inferior to the one of the previous month, should have been substantially higher in respect of the availability of tanning extract.

Reports have been received to the effect that about 8,000,000 kgs. of leather are actually in the hands of the shoe manufacturers in Northern Italy.

26. HEMP PRODUCTION

Every effort is being made in the Naples District to arrange for some raw materials to be brought down from the North to feed the Southern mills. Everything however, depends upon the question of transport referred to below under "Northern Italy".

A technical representative of Hemp Division is already in the North for the purpose of selecting the most suitable material for the Southern mills.

Northern Italy

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Northern Italy

Arrangements are being made for centralising in Bologna itself - the chief hemp centre - the AMG handling of the amassing and distribution of the hemp crop in the various northern regions and provinces.

AMG are working through the Consorzio Nazionale Canapa, constituted under Italian decree # 213, dated 17 September 45, the application of which decree has now been duly extended to the North. This is overcoming the confusion which hitherto has existed in the Northern provinces, owing to independent action on the part of the Comitato di Liberazione which action was entirely independent of the Consorzio Nazionale Canapa.

This political aspect can now be regarded as being fairly well in hand.

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New prices are under consideration which, if agreed, will give the farmers sufficient incentive to bring in the balance of the 1944 crop.

On paper there are still over 20,000 tons of clear hemp and over 6,000 tons of green hemp to be collected, but these figures must not be taken too seriously until the crop can be materially handled. For this purpose, the Bologna Hemp Office require three motor cars and about 30 three-ton lorries. Every effort is being made to solve this problem of transport.

The collection of the ex-German hemp piled North of the Po is particularly urgent as, owing to its exposure thefts are taking place continually. It is estimated that there are about 4,000 tons of this ex-German hemp, but precise figures can be ascertained only when the hemp is actually amassed in the official warehouses of the Consorzio Nazionale Canapa.

New Crop - Southern Region

Reports show that good progress is being made and the recent rains have greatly improved the situation, which is better than that which exists in the North. It is confidently hoped to produce about 12,000 tons hemp.

New Crop - Northern Provinces

Owing to the lack of fertilising materials and also to drought, it is most unlikely that the 40,000 hectares sown will yield 40,000 tons of hemp. Already, chiefly owing to drought, a certain percentage is flowering immaturely. This will only be suitable for seed. For the moment it would be unwise to reckon on a crop exceeding 25,000/30,000 tons.

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SECTION III - PERSONNEL

EXTRACT FROM EXECUTIVE ORDERS NUMBER 35 DATED 30 APRIL 1945

III - Appointment of Acting Director, Industry Sub-Commission

Announcement is made of the appointment of Lieut. Colonel W. J. MASKREY, 169341, AGC, (S), as Acting Director, Industry Sub-Commission with effect from 5 Apr 45, during the temporary absence of Mr.William S. Vaughan, (A).

The following changes in personnel occurred during May.

Major E.E.R. Kilner, Chief Textile Division, has been released from duty this HQ on his return to U.K. as a prospective candidate in the forthcoming General Election.

Lt. Cmdr. Schlee of Hemp Division released from duty this HQ.

Mr. W.S. Backhouse, Hemp Control Division released from Southern Region and assigned to this HQ as Chief, Hemp Division, this Sub-Commission.

Major H.C. Thornitt-Smith returned from leave in U.K. and assigned to Piemonte Region.

Major R. Boger, AFHQ, attached this Sub-Commission on temporary duty to inspect steel industries in Northern Italy.

Mr. G.E. Barker, British Civilian, Ministry of Supply returned to U.K. on completion of his duty with this Sub-Commission.

W. J. MASKREY,
Lt. Colonel,
Acting Director,
Industry Sub-Commission.

2 Incls.:
Appendix A
Appendix B

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W. J. MASKREY,
Lt. Colonel,
Acting Director,
Industry Sub-Commission.

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

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Appendix "A" to Monthly Report of MAY 45

HEADQUARTERS ALLIED COMMISSION
APO 394
INDUSTRY SUB-COMMISSION WJM/fl

Ref. AC/5542/IND

Report on Lt.Col. W.J. Maskrey's Visit to Bolzano on 17 May 1945

1. The object of the writer's visit to Bolzano was to interview a Dr. Hothop, stated to be in possession of valuable industrial information and in particular to have knowledge of industrial machinery hidden in the Bolzano area and which had been brought there from plants in the North of Italy. Upon arrival by air at Bolzano, I reported to Colonel Fiske, whose Headquarters are at Merano.

2. On Friday, 18 May 1945, I attempted to ascertain the whereabouts of Dr. Hothop and after considerable enquiry, found that this gentleman did not exist. During the course of the morning, however, I discovered at HQ German Army Group "C" a Major von Richel, head of the Rüstungskommando, Bolzano. This Officer is an official of the organisation R.U.K. (Rustung und Kriegsproduktion), and had charge of the whole of the industrial productive capacity of the provinces of Bolzano, Trento and Belluno. Major von Richel is an Austrian and speaks no English. He struck me as an extremely wide-awake and efficient officer and proved to be most cooperative. He had exact knowledge of the whole of the munitions and weapons plants concentrated in this area and of the disposition of a great number of machine tools brought to the Bolzano area. These machines has been concentrated in Bolzano for (a) productive purposes, (b) to escape Allied bombing and (c) as representing the remains of plants which had been partly destroyed by Allied air attack. There are stated to be 91 factories around the area in 17 of which and in tunnels in the mountain-sides, 4,000 machines are installed or are standing, of these von Richel stated that about 3,000 are not single purpose machines and could be used for production of civilian goods. The value of the machines is stated to be between two and three billion lire.
A full report on these machines is attached.

3. During the afternoon of Friday, 18 May 1945, I was accompanied by von Richel and his assistant, 1st Lt. Smend (who was formerly secretary to the German Embassy in Italy) to the Headquarters of R.O.G.E.S. (Rohstoff-Handels Gesellschaft m.b.H.) at St. Ulrich, where I interviewed a number of the officials of this concern. Separate reports are attached.

4. During the course of the day I also interrogated two

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4. During the course of the day I also interrogated two officials of the Organisation Todt; Regierungsrat Wagner, who is head of the OT Regiment, Bolzano, and his assistant, Herr Kehr. Report is attached

5. I also had a conversation with Lt.Gen. Holfeld, Chief Administrative Officer, German Army Group "C", whose Headquarters are at Bolzano. Gen. Holfeld was much exercised about the question of

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obtaining a supply of lire for the payment of his troops. Major Curtis, of Finance Sub-Commission was due in Bolzano and I recommended that Gen. Holfeld should speak with him. I imagine that it would be inadvisable to put any further money in the hands of the German troops, as this would only result in their stripping the surrounding countryside by purchase of any portable articles in order to take back solid assets to Germany rather than paper lire.

6. On Saturday, 19 May 1945, I made the journey to Cortina d'Ampezzo to the Headquarters of the German 10th Army. I had been given the name of Lt. Forstreuther, 1C AOK 10, of 10th Army. This officer was alleged to be well-informed on matters of production by Italian firms for the German Armed Forces. The journey to Cortina d'Ampezzo and back involved a trip of 200 Kms. over mountain roads and turned out to be hardly worthwhile, as Lt. Forstreuther had acted in much the same capacity as a British Local Purchase and Production Officer of the Ordnance Services, and had merely purchased and paid for items necessary for the German Armed Forces by way of ordinary contract. Conversation with this officer, however, elicited the interesting fact that the contracts placed in Italy by the German Army went through ordinary commercial procedure. In other words, German, Austrian, French and Italian firms were requested to tender and the cheapest price, quality considered, got the order. Payment was made on a gold basis. Lt. Forstreuther stated, when I expressed some surprise that the hydro-electric stations and manufacturing plants had escaped destruction in the North, that the policy of Reichsminister Speer was to leave Italy in as good position industrially as was possible. Naturally the Minister might have been influenced at the particular moment by the thought that the war was in any case lost and that what the Germans destroyed they might very well be required by the Allies to reinstate. Lt. Forstreuther's statement bore no relation to the facts as it is well known that the Italian Minister Tarchi had interceded in vain with Rahn, the German Ambassador in Italy, on many occasions where German destruction of industrial capacity was contemplated.

7. Attached for information is a list of German superior officers and their formations in Italy, together with a list of telephone numbers which may possibly be of interest. The telephone exchange of the German Army Group "C" is "Lichtenfels". Attached also is a note of the locations of the 3rd German Army Group provided for me by Major Hothorn, who is personal assistant to Lt.Gen. Holfeld. Major Hothorn is probably the "Dr. Hothop" referred to in the first paragraph of this letter, and knows nothing of industrial matters.

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/s/ W. J. Maskrey
/T/ W. J. MASKREY
Lt. Colonel,
Acting Director,
Industry Sub-Commission

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GERMAN SUPERIOR OFFICERS

C. in C. Genl. V. Vietinghoff

10 Army Genl. - Herr

14 " " - Lenelson

Ligurien-Marshal Graziani

C. of S. - Genl. Pensel

I. Fallsch Corps - Genl. Heidrich

L. I. Gen. A. K. - Genl. Hanck

XVI Pz. Corps-Genl. Senger v. Etterlein

L. XXVI Pz. Corps.-Lt. Genl. Graffen

Lombardia Corps- Genl. Jahm

L. XXIIIA Corps- Genl. Bvelke

C. in C. Prealpine Zone of Ops.-Genl. Schmidt-Hartung

Prealpine HQ-Genl. Jordan

Genl. Plenipotentiary German Forces in Italy- SS Genl. Wolff

L XXV A Corps. Genl. Schlemmer.

LC " " - Lenelson

Ligurien-Marshal Graziani

C. of S. - Genl. Pensel

I. Fallsch Corps - Genl. Heidrich

L. I. Gen. A. K. - Genl. Hanck

XVI Pz. Corps-Genl. Senger v. Etterlein

L. XXVI Pz. Corps.-Lt. Genl. Graffen

Lombardia Corps- Genl. Jahn

L. XXIIIA Corps- Genl. Evelke

C. in C. Prealpine Zone of Ops.-Genl. Schmidt-Hartung

Prealpine HQ-Genl. Jordan

Genl. Plenipotentiary German Forces in Italy- SS Genl. Wolff

L XXV A Corps. Genl. Schlemmer.

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T E L E P H O N E D I R E C T O R Y

Liaison - 3648

ARMY GROUP "C" HEADQUARTERS

LEGION SWITCHBOARD (Controls Bolzano Area) 3471

AMG

Colonel McBratney.....Liaison 29
M/Sgt Shamzer (Clerks).....Legion 5
Albergo Centrale (Bille).....

AIR OPERATIONS

Operations Office .....Legion-Lookout-Air O.P.

REGIONAL PREFECT .....Legion - 3786 or Liaison 3786

GERMAN EMBASSY .....Legion-Merano 2380

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AIR OPERATIONS
Operations Office .....Legion-Lookout-Air O.P.

REGIONAL PREFECT .....Legion - 3786 or Liaison 3786

GERMAN EMBASSY .....Legion-Merano 2386

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Notice for Lt. Colonel Maskrey from Maj. (admin) Hothorn.-

Headquarters of 10th Army Group - Cortina d'Ampezzo

" " 14th Army Group - Far southwest of Bolzano

" " Army Group Tyrol - Galdero southwest of Bolzano

(Army Group Liguria does not exist any more, in its place Army Group Tyrol)

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(Army Group Liguria does not exist any more, in its place Army Group Tyrol)

G l i e d e r u n g

des wirtschaftlichen Verbindungsstabes zur A.M.G.

(Rüstungskommando Bozen)

Dienstgrad :	Vor-und Zuname :		Dienststellung :	Kfz. :
1 Major d.R.	Oskar v. Reichel	*	Dienststellenleiter	
2 Uffz.	Josef Wolf	*	Fahrer	
3 Fw.	Karl Rack	*	Ordonnanz	1 Pkw.
	a) Geschäftszimmer:			
4 Oblt.d.R.	Otto Werner	*	Adjutant u. Bureauoffizier	
5 Obgefr.	Gustav Krassa	*	Schreiber	
6 Obgefr.	Franz Szilagyi	*	Schreiber	
7 Gefr.	Josef Rückert		Kradmelder	1 Beikrad
8 Obgefr.	Eduard Weiss	*	Ordonnanz	
9 Zivilang.	v.d. Leithen		Dolmetscherin (engl.,ital.)	
10 Zivilang.	Anni Mitterhofer		Dolmetscherin (italienisch)	
	Transportstaffel:			
11 Obgefr.	Karl Prix	*	Fahrer	1 Lkw.
12 Gefr.	Josef Albinger	*	Fahrer	1 Lieferw.
	b) Rüstungswirtschaftliche Abteilung:			
13 Korv.Kpt.z.v.	Walter Kalcher	*	Abteilungsleiter	
14 Major z.V.	Michael v. Weber	*	Sachbearbeiter	
15 Sdf.(Z)	Ernst Marschner	*	Sachbearbeiter	
16 Stgefr.	Ludwig Simon	*	Fahrer	1 Pkw.
	c) Abteilung für Abwicklung des Italienstabes RuK:			
17 Oblt.d.R.	Dr. Wolfgang Smend			1 Pkw.
18	Dir.Wuttke, Roges			
19	Herr von Barby)			
20	Herr Behrje)		Lager und Export	
21	Herr Neumann)			
22	Herr Lange, Kohle			
23	Herr Dr. Noeck, Rüstungskontor			
24	Herr Menne, Kugellager			
25	Frl. Schroeder, Verlagerung			
26	Frl. Zillmann)		als Schreibkräfte	
27	Frl. Ober)			
28 Gefr.	Klemke		Fahrer	

Anmerkung: Die mit einem * Zeichen versehenen Namen sind Angehörige des bisherigen Rüstungskommando Bozen und Oesterreicher.

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4 Oblt.d.R.	Otto Werner	*	Adjutant u. Bureauoffizier	
5 Obgefr.	Gustav Krassa	*	Schreiber	
6 Obgefr.	Franz Szilagyi	*	Schreiber	
7 Gefr.	Josef Rückert		Kradmelder	1 Beikrad
8 Obgefr.	Eduard Weiss	*	Ordonnanz	
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Report from Lt.Col. W. J. Maskrey - 22 May 1945

R.O.G.E.S. (Rohstoff-Handels Gesellschaft m.b.H.)

GESCHAEFTSTELLE ITALIEN

I visited the Alpenvorland Headquarters of R.O.G.E.S. at St. Ulrich, North East of Bolzano, on Saturday, 19 May 45, in company of Major von Reichel and 1st Lt. Smend where I interviewed the heads of the various departments (six in all). The object of my visit was to obtain information as to the transfer of complete and partial industrial installations from Italy to Germany. Attached is a first list of such transfers; others I have instructed the German Officials to forward through AMG Regional Commissioner Bolzano. Attached to the list is a note of the status of the transfer of industrial plants from Italy to Germany as of 28 Feb. 45, from which it will be noted that the value in Italian currency of the transferred plants is Lit. 28.126.073.890.50. I was informed that these transfers were correctly carried out as an ordinary business transaction.

There exist in St. Ulrich 150 cases containing 24.000 documents, including detailed despatch notes relating to machinery and plant exported to Germany. I have suggested to Lt.Col. McBratney, the Provincial Commissioner, that these cases of documents should be seized and the German staff of R.O.G.E.S. be put to work abstracting information as to the destinations of the exported equipment. Some of this equipment is not yet out of the country, some has been destroyed or damaged by Allied bombing of the railways en route, but a great deal can be recovered. I was informed by Dr. Wuttke, who was concerned with the transfer of Italian Industrial facilities to Germany, that R.O.G.E.S. is a parastatal company whose capital is 50% in private hands and 50% in the hands of the German arms production industry and the Ministry of Commerce. The head of the GESCHAEFTSTELLE ITALIEN is Herr Rothlaender, whose second in command is Herr Weiss. The negotiations for transfer of machines and plant took place through the Unione Centrale Siderurgiche, whose headquarters are at the Hotel Excelsior Gallia in Milan. Information can be obtained from the Unione as to the import of raw materials for that part of Italian industry which worked for the Germans.

/s/ W. J. Maskrey
/T/ W. J. MASKREY
Lt.Colonel,
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Acting Director,
Industry Sub-Commission

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Report from Lt. Col. W.J. Maskrey 22 May 1945

COAL AND COKE IMPORTS FOR ITALIAN INDUSTRY:
INTERVIEW WITH ROHSTOFF-HANDELSGESELLSCHAFT m.b.H.
AT ST. ULRICH ON 19 May 1945

Accompanying this report is Folder H which contains a note of the bids and allotments of imported and domestically produced industrial coal and coke for January 1945, a note of the German/Italian organisation of coal distribution, a list of allotments of coal with indication of the German firms making the deliveries; these covering the months from August 1944 to March 1945 inclusive. Also included is a note on the mining of Italian coal.

The officer of R.O.G.E.S. concerned with coal importation into Italy is Lt. Lange, Reichsbeauftragter fuer Koehle. This offficer was formerly employed by the important German coal concern PLEIGER, Berlin. The Chief of the German organisation for coal distribution in Italy is Herr Wunderlich, who is located in Milan. The officer concerned with the bidding on German sources for coal for Italian industry was Herr Franz Kossak who was previously located in Salzburg and who is now apparently living with his wife and family at Landegg, just over the Italian/Austrian border. I would have visited Herr Kossak had it been possible to get air clearance from 5 Army in the short time at my disposal. Herr Kossak was previously with the Rheinische-Westfaelische Kohlonsindikats, Essen. The bids for coal for Italian industry were received at the Ploiger coal concern in Berlin, Herr Ploiger being head of the allocating commitee. The Italian organisation collecting coal bids presentation to the Germans was the Ministero dell'Economia (ex Ministero delle Corporazioni). The Ministero had the duty of receiving demands from consumers of coal for the whole of the Italian industry. These demands were made at three-monthly intervals by the statal Unione Industriale, who were also concerned with distribution of the coal on arrival. The bids for the three-monthly quantities were collected by the Unione Industriale and passed through the German channels mentioned above. Certain industries received priority for hard Upper Silesian and Ruhr coal; these included foundries and metallurgical industries and cement plants. Coke came from Lower Silesia, from Westphalia and from Ostrava Morava. The local distributing organisation for (inter alia) Bolzano was the Monopoli Carbone at Verona. The Gruppo Carbone Milano, Via Meraviglie 2, Milan should have in their records particulars of requirements and distribution of industrial coal for the whole of Northern Italy.

It was explained to me by Lt. Lange that Italian requirements

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It was explained to me by Lt. Lange that Italian requirements of coal are never fully met and this for a number of reasons. For istance, the bids for January 1945 totalled 500,000 tons, which included coke, and coal of Italian domestic production. The deliveries of German coal totalled only 81,000 tons as against a demand of 350,000 tons. The figures below are self-explanatory:

	GERMAN COAL	ITALIAN COAL	COKE	
Demands, January 1945	350,000	70,000	82,000	t.
Allotted	180,000	31,000	49,000	t.
Delivered	81,000	17,000	58,000	t. *

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* This increase to help coal situation as coke stocks had accumulated in Germany.

The status of coal when in transit from Germany to Italy was clearly defined. Frequently Allied bombings destroyed trainloads of coal and in such cases, the Army, the State Railway or other concerns holding high priorities, would intercept and divert coal on rail. It was not permitted, however, for any organisation to divert Army or Railway coal, but coal for German civilian needs or for Italian Industrial or civil needs could be and often was intercepted and diverted for other purposes. When coal entered Italy and was stockpiled for distribution, this was done on the German-controlled portion of the Railway Line Brenner/Udine.

I spoke also with Doktor Noeck R.O.G.E.S. finance officer, who had been desptached from the office in Milan to supervise the book-keeping in Bolzano. He had, however, little to tell me of industrial interest.

In my report on the RUK organisation, particulars are given of the stock of coal at present existing in Bolzano amounting to 14,32[illegible] tons.

Lt. Col. Bollmann, of OKH/Wa.A, at St. Ulrich, introduced himself. This individual is an Ordnance officer who was charged with the progressing and outside supervision of Italian munition plants working for the German Army. He was employed for some years in London by the Union Cold Storage Company, speaks excellent English and has asked whether he might be found employment in making surveys of Italian munitions plants for A.C.

/s/ W. J. Maskrey
/T/ W. J. MASKREY
Lt. Colonel,
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/s/ W. J. Maskrey
/T/ W. J. MASKREY
Lt. Colonel,
Acting Director,
Industry Sub-Commission

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Report from Lt.Col. W. J. MASKREY

22 May 1945

RUSTUNG UND KRIEGSPRODUKTION

The information below was obtained by me from
a) Maj. von Reichel, head of the Rüstungskommando, Bolzano, and
b) from his assistant, 1st Lt. Dr. Smend, attached to the Rüstungskommando, Bolzano, formerly secretary to Rahn, the German Ambassador. These two officers may be contacted through the Headquarters of German Army Group C, Bolzano, and can be reached on the German "Lichtenfels" telephone exchange. Smend lives at the Villa Erika, Bolzano. The Rüstungskommando, Bolzano, under von Reichel, controlled 91 factories in the provinces of Bolzano, Trento and Belluno. Von Reichel is a particularly well informed and intelligent officer of Austrian origin. He speaks, however, no English. The 91 factories were those suitable for production of weapons, munitions of war and engineering supplies necessary to the German Army. In seventeen of these factories and in tunnels in the mountainsides are concentrated about 4,000 machine-tools of which von Reichel stated that about 3,000 are not single-purpose machines and could therefore be used for production of civilian goods. These machines had been removed from plants damaged by air bombardment or had been brought to Bolzano for safety from air attack. One of the most important of these plants is that of the I.M.I. in the tunnel at Virgolo/Frangart which manufactures ball bearings. Von Reichel states that this plant can produce sufficient ball bearings for the whole of the present Italian reduced consumption. This plant is still working under German Army direction. Another small plant visited by the writer in company with von Reichel is that of the Italian firm Mediterranea-Gomma, whose head office is in Milan. This small tyre regeneration plant is still working under the German Army and is situated near the village of S. Pietro, a few Kilometres from St. Ulrich. A fair stock of German Army and Italian civilian tyres exist in this plant which is run by a German engineer with Italian civilian personnel. They have enough raw materials for a further 6 to 8 weeks work. A sample of the vulcanized cotton used at the plant for tyre repair accompanies this report. The building in which the retreading machinery from Milan has been installed is an old factory purchased some years ago by the Montecatini combine but for some reason never used by them.

Accompanying this report is a statement prepared by Major von Reichel on my instructions, listing the machine tools mentioned in the first paragraph of this letter. Workpeople to the number of several thousands have been imported into the Bolzano area, and an urgent problem arises in this respect. Many of these people would prefer now that the war is ended to return to their homes and families and a decision must immediately be reached as to whether the plants should continue to operate where they are, or whether

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Hard Coal ex Upper Silesia .	6630 tons
Coke ex Ostrawa-Morawa	4210 "
Brown Coal Briquettes (Mattonelli di Lignite for domestic use)	380 "
Anthracite from the Ruhr	60 "
Lignite, Italian origin	40 "
Cardiff Coal recovered from a sunken steamer in Genoa harbour (needs washing; probably about 1000 tons useable)	3000 "
	14320 tons

Accompanying this report and marked A is a statement of machinery.

B is a list of materials in stock under the control of the RUK organisation, Bolzano, including a list of rail wagons with their numbers and locations and contents.

C is an Aide Memoire on the status of the 17 plants transferred to the Bolzano district.

D is a list of the 91 plants under the control of the RUK organisation, Bolzano.

E is a statement on the industry situation in Bolzano, with particulars of numbers of workpeople employed.

F is a statement of Coal and Coke requirements and distribution in Bolzano Region.

/s/ W. J. Maskrey
/T/ W. J. MASKREY
Lt. Colonel,
Acting Director,
IndustrySub-Commission

NB. Reports A - F are too voluminous for reproduction, running to several hundred sheets.

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Report from Lt. Col. W. J. Maskrey 22 May 1945

ORGANIZATION TODT

The information contained in this report was obtained on 18 May 45 from the following officers of the Organisation;.

a. Regierrungsrat Wagner, Head of the Todt organisation in Bolzano.

b. Herr Kehr, of the Finance Department of the Todt organisation, who was previously employed by the Dresdner Bank at Frankfurt a/M.

The organisation Todt, as is of course well known, concerns itself with the building of roads and fortifications and with any other construction work found necessary by the German armed forces. The headquarters of Wagner is 1 Einsatzgruppe, at Cortina, N.E. of Bolzano, and his organisation covered the whole of Northern Italy, and part of Austria, from Landogg to Klagenfurt. Wagner is at present running an office in Bolzano at Runkelsteinerstr. 14. His telephone address is Standert OT Organisation, Todt Regt. 40. The organisation is divided into 19 groups, the chiefs of which are officers loaned by the Army.

The Todt organisation recruited volunteer Italian labour and Wagner assured me that compulsion was never used in Italy.

The Todt organisation let out contracts to Italian firms and in this respect, Wagner wished to know how he was to discharge his present obligations to them. He stated that the Todt organisation at the moment owed between 400 and 500 millions of lire to Italian concerns. Normally the funds for payment were obtained in the case of contracts of a general nature from the German Embassy, and where work was done for any particular German Army group, from the Army paymaster. I left the headache of this payment question for the attention of Maj. Curtis, of Finance Sub-Commission and left word with Wagner that he should get in touch with Maj. Curtis upon his arrival.

Wagner wishes to know whether his organisation can continue to exist and work under Army or AC direction in the reconstruction of roads, railways, etc. In other words, he and his organisation would sooner work in comparative freedom than sit in a concentration camp.

Attached is an application, with translation, from Kehr for employment with AMG.

b. Herr Kehr, of the Finance Department of the Todt organisation, who was previously employed by the Dresdner Bank at Frankfurt a/M.

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CC:

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/T/ W. J. MASKREY
Lt. Colonel,
Acting Director,
Industry Sub-Commission

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Appendix "B" to Monthly Report of MAY 45

1) GENERAL :

The Division arrived in Turin on 5th May 1945 and offices were opened in Corso Oporto on 9th May 1945.

During the month more discussion than real work has taken place, but this has been made necessary by the unusual situation found on arrival and has not prejudiced a situation which was found to be already under control.

In general the greatest potential danger in this region is the probable effect of mass unemployment and while this will have its effect throughout the region, it will be greatest in the city of Turin.

Industries generally have not suffered undue damage and repairs and improvisations have already been carried out in those factories which have suffered heavy damage. The employment potential of the region in its normally industries therefore is very great and the task of the Industry Division resolves itself mainly into one of finding suitable material and suggesting make shift arrangements until the material situation improves. The supply of this materials is all the more urgent as there is less opportunity of alternative employment in reconstruction in Piemonte than in the South where damage has been greater, and there is the additional psychological point that civil unrest is more probable in a region where factories can work but are shut down for one reason, and one reason only - lack of material and fuel.

2) INDUSTRY DATA SHEETS:

To date Survey reports have been returned by over 300 factories. Copies of these reports are being forwarded to HQ. AC. as and when they are received.

Initial reaction to these questionnaires was one of mistrust, it was generally suspected that the follow-up would be either requisitioning of materials declared or additional taxation based on the information given in the data sheet.

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These data sheets are being scrutinised on receipt in the and a letter is sent to each factory releasing raw materials up to six months requirements (if in possession). Certain stocks of materials known to be in short supply as copper, have been blocked when they have been found to be in excess of the factories immediate requirements, but generally the policy is to release as much as possible and this has removed to some extent the early suspicions

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as to the real reason for original questionnaire.

3) TEXTILE INDUSTRIES:

The industry has suffered very little from war damage and it is stated that 90% of the plants are working. Their production, mainly suitings and blankets, is building up considerable stocks.

Completed Industry Data Sheets have not arrived in sufficient quantity to provide an overall picture of the trade. Therefore as imports of raw materials are involved, an approximate demand of requirements has been made up from local information.

Sufficient raw material is believed to be available in the various trades, to last as detailed below:

- Wool : 3/4 months 3 worsted shifts
  2 woollen shifts

  The bulk of the stock being short fibre, an early delivery is desirable of long fibre for mixing.

- Cotton : 2 months 16/24 hrs./week

- Viscosa : 2 months (one factory only) 24 hrs./week

It is strongly recommended that delivery of imported wool and cotton should be given a high priority. This is justified both from a political and general employment point of view.

Individual demands for raw material are being forwarded on MAT.10 as details become available.

Coal is also required but by the use of electric heaters, wood and present stocks of coal, most plants should be able to continue working for some time.

Inspections have been made of 4 plants in Biella, further visits will be carried out as soon as possible.

4) AUTOMOTIVE INDUSTRIES:

Fiat has recommenced production and is at present manufacturing 10 trucks/day. These are 3-ton truck type 626

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4) AUTOMOTIVE INDUSTRIES:

Fiat has recommenced production and is at present manufacturing 10 trucks/day. These are 3-ton truck type 626 and are made at "Mirafiori". This factory has suffered considerable damage but repairs and rearrangement of the factory equipment have been carried out and production will steadily increase if the necessary material is forthcoming.

The Lingotto Works is very heavily damaged but it is not the intetion of the Fiat group to rebuild this factory but rather to contrantrate manufacture at Mirafiori.

Lancia is not in production but plans to restart in July.

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Viberti is at present manufacturing trailers but production will cease in the middle of July unless coal (400 T/month) is obtainable.

5) BALLBEARING MANUFACTURE:

The original RIV factories in Turin were destroyed in Nov. 1943 and Jan. 1944: machinery was then dispersed to eleven factories in Turin city, four in Villar Perosa and one underground factory Cimena. At present about 9000 are employed. Estimated output was 500.000 units/month but actual output for May cannot yet be quoted. Stocks of raw material, apart from coal, petrol and oils are reasonably good.

6) TYPEWRITER MANUFACTURE:

- Olivetti : Factory at Ivrea in good working condition and at present manufacturing typewriters as follows:

  - Model M. 40 .....2000 units/month
  - Model MS.42 ..... 500 " "
  - Model MP ..... 300 " "

  In addition to the above, 200 adding machines and 40 teleprinters are made each month.

- Invicta : Factory in Torino, damaged by war and production now 50% of normal - new factory in course of contruction.
  Output now 150 units/month and raw material position is good - required only 1 Ton coke/month.

- Soc. Industriale Meccanica : Factory at Magliano Alpi (Cuneo) makes S.I.M. portable typewriters, was bombed out of Turin in 1942 and rebuilt factory at above address. Material stocks are not good at present time, but 700 typewriters were in stock on 16 May 1945. Three hundred of these were released for sale to enable the management to continue payment of workers. Present output is approximately 3 Ton/month.

7) MACHINE TOOLS :

Olivetti Machine Tool Factory have the following tools in stock now. These are available for sale.

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7) MACHINE TOOLS :

Olivetti Machine Tool Factory have the following tools in stock now. These are available for sale.

- Drilling machines

  - 26 TS 5-b (bench drilling machines up to 5 mm.)
  - 3 TS 5-b2 " " " " " " "
  - 8 TS 5-c column " " " " " "
  - 45 TS 10-b bench " " " " 10 "
  - 28 TS 15-c column " " " " 15 "
  - 4 TS 15-c2 " " " " " 15 "

8) Railway wagon construction and repair is held up for lack of coal, but 15 waggons were issued ex Fiat to Italian State Railways during the month.

1:31

9) SOAP MANUFACTURE :

There is an extreme shortage of fats and oil for soap manufacture. Approx. 130 T. of poor quality soap 12% fats has been declared.

10) METALLURGICAL INDUSTRIES

a) Steel & Iron

Cogne Steel Works can continue production of 3.500 T. foundry pig/month provided the existing supply of anthracite coal ex La Thuile can be maintained and an additional 800 T/coke provided.
Stocks of iron and steel (all types) are about 13.000 Tons, most of which is already on order by factories of Turin. There is an additional stock of steel made to German specifications which, although not yet declared, is thought to be about 10.000 T.

b) Non ferrous

The Foundry "Veglio" Torino has been inspected and found to be in working order. Apart from one bomb hit which destroyed the cell room for the electrolytic recovery of tin, the foundry can produce 600 tons recovered non ferrous metals from scrap each month. To maintain this output 400 Tons coal or 150 T. naphtha per month is required. Until 120 T/month salt can be supplied, recovery of Aluminium cannot take place; it is therefore proposed to allot 150 T. coal to enable copper bronze tin, white metal for bearings and solder to be produced. This quantity of coal should suffice for the following output:

- Bronze .....200 T.
- Electrolytic copper ..... 40 "
- " tin ..... 30 " (in 2 months)
- White metal for bearings and solder ..... 50 "

Stocks, which are blocked, of these materials in possession are given below:

Ingots	Scraps & Shavings	Residues

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Stocks, which are blocked, of these materials in possession are given below:

	Ingots	Scraps & Shavings	Residues
- Brass alloys	33,8 T	169,8 T.	4 T.
- Copper	61,9 T	208,3 T.	4,3 T.
- Copper alloys	2,6 T	64,5 T.	124,7 T.
- Bronze	210,7 T	333,2 T.	57,8 T.
- Soft Lead	23,3 T	6,3 T.	7.3 T.
- Antimony lead	5,8 T	8,5 T.	1,3 T.

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	Ingots	Scraps & Shavings	Residues
- Solders	3,8 T	-	-
- Tin	12,7 T	-	135,9 T
- White metal for bearings	0,19T	22,5 T	-
- Aluminium and Al.alloys	307,8 T	649,6 T	147,7 T
- Zinc and zinc alloys	118 T	56,4 T	158,0 T

11) BUILDING INDUSTRY

Although brick works are shut down supply of bricks is fairly adequate. Tiles are lacking and small fuel allotments (dust and lignite) are being made for tiles as provision for next winter.

12) LEATHER

Stocks seem fair and allotments to boot factories and belting works are being allowed. The shortage of chrome salts for tanning uppers is acute over all North Italy. The only maker is Montecatini at Spinetta Marengo which will have to be got to work quickly. They have stocks of chromite.

13) MINING

The Talc Mines cannot move their 30.000 T. in stock (of which 15.000 T. exportable to U.S. and U.K.) owing to damaged roads and bridges.

The Asbestos mines are kept working to allow Eternit to make roofing etc.

The Cogne iron mines are working but unless the fuel situation improves they will have to shut down and the steel industry will have to live on present stocks until better times.

14) COAL SITUATION

- Stocks on hand as far as known :

- U.P.I.C. - mixed qualities .....T. 900

- Zinc and zinc alloys	118 T	56,4 T	158,0 T

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14) COAL SITUATION

- Stocks on hand as far as known :

- U.P.I.C. - mixed qualities	T.	900
- Cogne - coal dust	"	4000
- Italgas Pozzolo - coke dust	"	1500
		6.400

1.030

- June production

Cogne has been told to increase coal production or shut steel furnaces.

- Estimate prod. June for sale:

- dust	T.	900
- piece	"	1100
		2.000 T.

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Fiat must increase its own lignite production to relieve its own situation - say ..... 900 T.

Total local availabilities till end June (say) ..... 9.000 T.

- Normal monthly coal requirements Piemonte Region - imported

		Coal	Coke	Total
Turin & Province	T.	24.000	12.000	36.000
Other Provinces	T.	36.000	18.000	54.000
Railways		-	-	3.000
Gas Companies (1939)				14.000
				T.107.000

- Measures taken

1. No coal & coke or dust for bakeries or hospitals - they must raise steam by electricity - peat or wood.
2. Forcing electric power or wood on industry.
3. Associazione Naz. Controllo Combustione checking or driving 1 and 2 according to our directives.
4. Mining Inspector driving on increased production.
5. For threshing farmers must burn husk or use power.
6. Local coal, lignite, peat assigned to useful industries employing most labour or alleviating civil situation - steel - trucks - tiles - sugar.
7. No gas yet. It's either gas and unemployment or no gas and a little work. Gas will be imperative in September - stock pile in August.

- Situation

Priorities are now being established and firms within those categories are being sorted out with the combustion engineers.

Fiat can probably be kept working for 2 weeks after which help by import is necessary or a shut down inevitable.

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Fiat can probably be kept working for 2 weeks after which help by import is necessary or a shut down inevitable.

Most people locally are co-operating but there are quite a number of unofficial allocations of coal emanating from main offices in Milan, which are completely at variance with plans established here - but of course the allocation is not being implemented in fact.

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15) REHABILITATION

In planning the future the utmost assistance is being given by the following institutions: U.P.I.C. Unione Industriale and C.R.E., C.L.N. The Unione has now elected a Regional Committee to coordinate Provincial Unione activities.

A Regional Committee for Reconstruction has been formed by this Division from Italian experts nominated by the President Economic Section C.L.N., the President of the Unione and U.P.I.C. Offices have been found for this Committee, the Secretariat is being supplied by the Unione and running expenses are being borne by industrialists.

The Committee consists of neutral experts headed by a statistician and representative of the C.L.N., U.P.I.C. and Unione Industriale are co-opted members.

The functions of the Committee are to screen Industry Data Sheets, estimate monthly material requirements and industrial output and advise on rehabilitation problems.

The routine work of this Division will be gradually transferred to this Committee should it prove to function successfully.

16) STAFF MOVEMENTS: May

- Maj. Reid	Turin 6 May - 31 May
- Maj. Harris	Turin 6-8 May Cuneo 8-15 May Turin 15-31 May
- Maj. Thornitt-Smith	Turin 19-31 May
- Capt. Bonder	Turin 8 May Aosta 8-18 May Rome 19-29 May Aosta 30-31 May
- Capt. Hunter	Turin 6-14 May Austria 15 May

being supplied by the Unione and running expenses are being borne by industrialists.

The Committee consists of neutral experts headed by a statistician and representative of the C.L.N., U.P.I.C. and Unione Industriale are co-opted members.

The functions of the Committee are to screen Industry Data Sheets, estimate monthly material requirements and industrial output and advise on rehabilitation problems.

The routine work of this Division will be gradually transferred to this Committee should it prove to function successfully.

16) STAFF MOVEMENTS: May

- Maj. Reid	Turin 6 May - 31 May
- Maj. Harris	Turin 6-8 May
	Cuneo 8-15 May
	Turin 15-31 May
- Maj. Thornitt-Smith	Turin 19-31 May
- Capt. Bender	Turin 8 May
	Aosta 8-18 May
	Rome 19-29 May
	Aosta 30-31 May
- Capt. Hunter	Turin 6-14 May
	Austria 15 May

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TEXTILE TRADE

IMPORTED RAW MATERIALS APPROXIMATE MONTHLY REQUIREMENTS

	Cotton	Wool	Viscose	Vari
BASED ON				
Operatives	32.000	50.000	6.300	10.
Spindles	807.000	412.000 (worsted)	drawing 36.000 rayon	
		361.000 (woollen)	" 12.000 flock	
			spinning 25.000	2.
Looms	15.900	9.000		
Requirements	2.640 Tons	1.500 T. wool	Cellulose	Fl
	ray 2/10 Egyptian	2.500 " flock	6.800 Tons	
	7/10 American	washed weight		
	1/10 Indian			
	or a proportion of artificial fibre			
Coal	2.200	7.500 T.	10.200 Tons	

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TEXTILE TRADE

IPORTED RAW MATERIALS	APPROXIMATE MONTHLY REQUIREMENTS			
	Cotton	Wool	Viscose	Various
	32.000 807.000	50.000 412.000 (worsted) 361.000 (woollen)	6.300 drawing 36.000 rayon " 12.000 flock spindle 125.000	10.500 — —
	15.900 2.640 Tons	9.000 1.500 T. wool 2.500 " flock	Cellulose 6.800 Tons	Flock 250 Tons
ray	2/10 Egyptian 7/10 American 1/10 Indian	washed weight		
r a	proportion of rtificial fibre 2.200	7.500 T.	10.200 Tons	375 Tons

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Ref: 5003/143/BD

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13 June 1945

MEMORANDUM:

TO : Director, Industry Subcommission

1. In paragraph 8, "PYRITES," of your Monthly Report for April, it was stated that no sea shipments were effected in April owing to the exorbitant freight charges that COGEMA had asked for bulk shipments to the Islands, and that as the result of strong representations to COGEMA by your subcommission, it was agreed that the freight rate would be drastically reduced.

2. In the last sentence of the above-mentioned paragraph you state: "However, the actual implementation of the agreement by the Italian Government does not appear to have been made." I have been requested by the Executive Commissioner to report whether this implementation of the agreement has now been accomplished. It will be appreciated if you will inform this office accordingly.

Chief Staff Officer,
To Executive Commissioner.

FURTHER ACTION ON FILE 5003/[illegible]

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5003

4.

HEADQUARTERS ALLIED COMMISSION

ECONOMIC SECTION

INDUSTRY SUB-COMMISSION

MONTHLY REPORT

No. 10

APRIL 1945

MAY 17 REC'D

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	18. Tobacco	" 8
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see M141

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INDUSTRY SUB-COMMISSION

MONTHLY REPORT

No. 10

APRIL 1945

SECTION I - GENERAL

The month of April saw the commencement of the military operation destined to free the industrial North and as a result, the Regional teams for Emilia, Lombardia, Piemonte, Liguria and Venezia were in constant conference with the HQ staff, Industry Sub-Commission. Many discussions were held with other Sub-Commissions in order to coordinate activities and to enable the Regional teams at the correct opportunity to move into place and to take over their functions as smoothly as possible. These teams are woefully weak in personnel although fortunately, it has been possible to appoint officers of wide experience, not only in their particular civilian industrial activities, but in actual field work in Italy. The team for Lombardia is headed by Maj. A.C. Lister, who tackled with success the difficult problems of industrial rehabilitation, first in Naples were devastation was severe, and later in Rome. An even more difficult task awaits him in Lombardia.

The Liguria team is headed by Maj. K.C. Wilson, who has previously acted as industrial officer in the Bari zone, and later in Rome.

Piemonte Region has the advantage of the experience of Major H.G. Reid and Venezia Region's industrial activities are in the care of Lt. Col. S.W. Archibald.

It was decided that in the first stages of the overthrow of the German Armies and the advance into the North, a spearhead officer should be attached to 4 Corps, and Major Lister was selected for this purpose. A conference was held at Lucca on 20 April 1945 when the Deputy Director of Industry Sub-Commission accompanied Brigadier D.L. Anderson, CBE, Deputy Vice-President of the Economic Section, and Mr. A.G. Antolini, Vice President, Economic Section. Important discussions on the establishment of the cordon sanitaire took place. This cordon sanitaire is designed to avoid as far as possible disorganization of prices and un-coordinated transfer of raw materials and manufactured articles. Production costs and wages in the North differ widely from those in central and southern Italy. In accordance with plan, Major Lister moved forward with 4 Corps and thus the first phase of the heavy task facing Industry Sub-Commission opened.

During the month a plan for the expansion of this Sub-Commission by the recruitment of a considerable number of specialist officers was initiated and it is hoped that this plan will be brought to success in order to enable proper assistance to be brought to the rehabilitation of the industrial north.

1. RELATIONS WITH THE ITALIAN GOVERNMENT.

possible officer for duty with 26

with the HQ staff, Industry Sub-Commission. Many discussions were held with other Sub-Commissions in order to coordinate activities and to enable the Regional teams at the correct opportunity to move into place and to take over their functions as smoothly as possible. These teams are woefully weak in personnel although fortunately, it has been possible to appoint officers of wide experience, not only in their particular civilian industrial activities, but in actual field work in Italy. The team for Lombardia is headed by Maj. A.C. Lister, who tackled with success the difficult problems of industrial rehabilitation, first in Naples were devastation was severe, and later in Rome. An even more difficult task awaits him in Lombardia.

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1. RELATIONS WITH THE ITALIAN GOVERNMENT.

The necessity for using every possible officer for duty with forward regions forces a withdrawal of Industry Sub-Commission's Liaison Officer with the Ministry, Capt. J.E.M. Dry, and it has therefore been impossible to maintain during part of the month, the close day-by-day contact which is felt to be necessary. Various meetings, however, were held with the Minister, H.E. Gronchi, and assistance was given in settling various problems in which the Ministry needed help. It becomes more and more obvious that the specialist staff of the Ministry is very much too weak for the complicated functions which they are called upon to perform. There is little to attract first-class talent under present pay conditions in the depleted Italian Civil Service. The consequence is that too heavy a burden falls on

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the Minister himself and upon his immediate deputies, with the result that important decisions are delayed or are not made at all. It is to be hoped that the liberation of the North will render it possible for H.E. Gronchi's staff to be considerably strengthened by the inclusion of officials of executive and directive ability.

2. ENGINEERING MATERIALS COMMITTEE, A.F.L.R.S.

The 21st meeting of the Engineering Materials Committee of AFLRS was held on 11 April 1945 in the AFLRS, AFHQ Conference Room, Rome, under the Chairmanship of Brigadier D.L. Anderson, CBE, Director of Engineer Production and Stores, AFHQ. The Deputy Director of Industry Sub-Commission attended as the representative of AC. At this meeting, steel production from works operated by British Army was allocated and as service demands were particularly heavy, no allocation was made to Allied Commission for use of the Italian Civilian economy. The matter of production of wire nails was discussed and it was decided that service bids should be satisfied by a Sub-Committee consisting of representatives of Ordnance (Dr.) AFHQ, DEP & S, AFHQ, and CE MTOUSA so far as production at the Ilva and Redaelli works was concerned. Production from other plants whose output depended upon wire or wire rods from outside sources of supply remained available to A.C. An estimate of production of cement totalling 45,900 tons for the month of May, to which A.C. contributed 16,400 tons from plants under their control was allocated; A.C. receiving an allotment of 11,200 tons. It was agreed by the Committee that A.C., in view of transportation difficulties should be allowed to draw cement from each of the nine plants scheduled to produce.

The production of calcium carbide and ammonia gas from works controlled by A.C. and by the Armed Forces was allotted; the Italian civilian allotment of ammonia gas amounting to 82½ tons out of a total production of 100 tons. A quantity of paint for civilian needs was also allotted from production under control of Ordnance (Dr) AFHQ. An allocation of wood screws was also made. A.C.'s application that poplar wood, required for the manufacture of matches, be placed on the list of items restricted for Italian civilian consumption was approved, and a recommendation put forward to the A.F.L.R.(I) Board. In general, civilian needs received a fair and sympathetic consideration at this meeting.

3. DE-REQUISITION OF INDUSTRIAL PREMISES

The meeting of the Industrial Coordination Committee took place on 7 April 1945 under the Chairmanship of the Chief Commissioner. Reports were received from A.F.L.R.S., AFHQ, on the following two cases presented by HQ AC at the last meeting of the Committee.

(a) Soc. Italiana Rueping, Via Taddeo da Sessa, Naples.

(b) Soc. Ligure per l'Industria dell'Acido Tannico, Atripalda (Avellino).

Both these cases have been passed to investigating sub-committees and A.F.L.R.S. undertook to take further steps to assist in the de-requisition- [illegible] in view of objections which had been raised by the occupying

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At this meeting H.E. Gronchi expressed his satisfaction at, and appreciation of the principles established in AFHQ Adm. Memo No. 14 dated 7 March 1945. The following points arose:

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(a) He requested that fuller publicity be given to the Allied requisitioning procedure.

HQ AC agreed to endeavour to achieve this.

(b) Is the Italian Ministry to be permitted to assist at the planning stage ?

The Committee considered that, subject to overriding reasons of security, as HQ AC would be present at such a stage and would be in touch with the Ministry on pertinent questions, any suggestions or comments of the Ministry would receive fair consideration.

(c) Could a time limitation be laid down within which cases under investigation would be resolved ?

HQ AC undertook to ensure that all cases were dealt with as expeditiously as possible.

(d) Could the privileges granted to State monopolies be extended to other industries essential to the civilian population ?

The Committee considered that the inclusion in the memorandum of a special paragraph concerning the monoply industries was solely to draw the attention of the military authorities the importance of such industries which they might have otherwise unwittingly overlooked.

(e) Does the machinery established by the AFHQ memorandum no. 14 apply to past requisitions ?

The Committee considered that similar procedure to that established by the memorandum would be applied to applications for de-requisitioning of past requisitions.

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SECTION II - INDUSTRIAL ACTIVITIES

1. SUGAR PRODUCTION

The most important movement in the cannibalisation schedule formulated by Industry Sub-Commission for the reactivation of the large Cesena sugar plant has successfully taken place. A boiler weighing approximately 100 tons was skilfully dismantled from the inactivated Littoria sugar plant into small components and transported to Cesena. Movement of equipment for several of the other sugar plants in the Industry Sub-Commission programme is proceeding according to schedule. The Ministry of Industry, Commerce and Labour has as yet not effected the transfer of the promised turbo-generator from the Santa Eufemia plant to the Granaiolo sugar mill.

Preliminary arrangements have been made for the re-casting of diffuser tops and other equipment that was sabotaged by the Germans at the Jesi sugar plant. Unfortunately the actual planting to provide this sugar mill with beets at the start of the coming campaign was about one-third the hectareage figure forecast by the Italian Ministry of Agriculture when the production program was formulated. An investigation made by the Industry Sub-Commission representative during a recent visit to Jesi showed that very poor coordination between the Ministry of Agriculture and the local Ispettorato dell'Agricoltura on the planting programme was the major cause. Revision in the fuel requirements for this plant was therefore made because of the expected lower production. It was learned that the first ship-load of coal for the Jesi and Cesena sugar plants had arrived.

From information available reconstruction work at the damaged sugar plants in the programme is proceeding at a satisfactory rate. As soon as possible an investigation will be made of the sugar-beet processing plants in the newly liberated areas. The bulk of the Italian sugar industry is located in the Po Valley.

2. YEAST MANUFACTURE

Production at the yeast plants of Barletta and Rome proceeded as scheduled for the month of May. Releases for most of the necessary raw materials to continue production for the four months' period starting 1 May have been obtained. Molasses transport still continues to be a problem, but with necessary and constant guidance enough molasses is arriving at these two plants to keep production continuous.

The rehabilitation of the Poggioreale (Naples) yeast plant is proceeding satisfactorily according to latest information. Stocks of most of the required raw materials have been obtained by Industry Sub-Commission and when the plant does commence operations in June its monthly production of approximately 70 tons of fresh yeast will be a practical contribution towards fulfilment of the urgent military and civilian yeast demands.

3. FOOD PROCESSING

Projected food processing production schedules for civilian con-

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3. FOOD PROCESSING

Projected food processing production schedules for civilian consumption have been drawn up for the important Arrigoni food-processing plants in conjunction with the management. These plants are located in territory that had been liberated prior to the current offensive. Most of the remainder of the Arrigoni chain of plants is located in territory liberated since. Raw materials as well as equipment to increase the pasta production are being obtained for the Pescia, Cesena and Sesto Fiorentino plants. Bids and allocation of materials for the Cattolica plant have been suspended pending the result of de-requisitioning procedures that have been initiated. The major items that will be produced at these plants are tomato paste, pasta and jams; the quality of the latter depending upon the future availability of sugar. In the meantime, dried industrial figs will be used for jam production, and 100 tons are being despatched from Brindisi.

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4. SODA SOLVAY

In accordance with agreements made between this Sub-Commission and AFHQ Coal Section, combustion-tests of Ribolla lignite have been carried out at the Solvay plant under control of a combustion expert of the Chief Quartermaster AFHQ, and a representative of Industry Sub-Commission.

It was verified :

(a) that lignite by itself is not sufficient to assure the thermal balance of the Solvay process

(b) that a minimum of 25 to 30% of Sardinian coal must be added in order to obtain satisfactory results.

However some technical modifications must be made at the plant in order to burn this mixture with the desired output. These problems are followed closely at present at the plant in Rosignano by this Sub-Commission.

On the basis of the above data arrangements have been made with Coal Division, Commerce Sub-Commission, for the supply of the required quantities both of lignite and of Sardinian coal.

The necessary agreements have been reached also between this Sub-Commission and Transportation Sub-Commission to assure regular supplies of the required large amount of lignite (6,000 tons per month) from the Ribolla lignite mine (approx. distance Ribolla - Rosignano : 85 km.).

5. CARBON BISULPHIDE

General Situation: The sulphur supply at all plants is adequate for full production and power has now been allocated to all plants. Transportation requirements for finished products is now the main obstacle to greater production.

Specific details of individual plants are as follows:

(a) Spero "L'Insulare", Catania. During the month of April, allocation of 150 tons of carbon bisulphide was made to Agriculture Sub-Commission for fumigation of grain. The Consorzio Agrario will act as the distribution agency. 215 tons of carbon bisulphide was placed at the disposal of the Consorzio Sansa for olive oil extraction. However, distribution must await transportation facilities.

(b) Societa Umbra Prodotti Chimici, Collestatte. 600 KW of electric power was granted to this plant during the last week of April, which will be sufficient to operate 1 of 8 furnaces located at Collestatte. This furnace, once in operation, will produce 135 tons of carbon bisulphide per month.

(c) Ulisse Crocchi, Torrenieri (Siena). Permission was granted on 28 April by the Directorate of Engineering Production and Stores to have manufactured at Terni three additional retorts. When these retorts are completed

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6. PHARMACEUTICALS

During the last week of April a list consisting of 109 pharmaceutical plants of primary importance to Italy, was furnished to Army Commanders. In addition geographical location of 93 warehouses containing raw and finished pharmaceuticals was furnished. It is hoped that with this information Army Commanders will take all possible precautions to preserve intact these important plants and stores.

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7. [illegible]

General

A serious situation has arisen in that since March no more phosphate rock has been imported owing to the refusal by the French producers of phosphate rock in North Africa to continue shipping rock until their demand for 30% increase in prices was met.

Despite urgent representations and a conference between French officials and Italian Government officials, it has not been possible, at the date of this report, to break the impasse and resume shipments.

8. PYRITES

Here, also, no sea shipments were effected in April owing to the exhorbitant freight charges that Cogena had asked of 1,924 lire per ton for bulk shipment to the Islands. This freight plus the cost of the pyrites at the mine and handling charges would have created a delivered cost on pyrites of over 4,000 lire, which far surpassed what the superphosphate producers could afford under the present government fixed price of 5,250 lire per ton of superphosphate.

As the result of strong representation by this Sub-Commission, it is agreed in principle by all authorities concerned that this freight rate shall be reduced drastically to what the traffic can bear, which is in the neighbourhood of 400 lire per ton. However, the actual implementation of the agreement by the Italian Government does not appear to have been made.

9. FERTILISER PLANTS REACTIVATED

At the end of the month two more superphosphate plants resumed operations; namely, Roma Tuscolana (28 April 1945), which will shortly be producing superphosphate at the rate of 1,500 tons/month. This plant has waited all the month on the allocation of the necessary power which is 50 KW. Orbetello, which is scheduled to receive power 1 May 1945 (120 KW), will be producing shortly at the rate of 2,700 tons/month. Porto Recanati was derequisitioned w.e.f. 20 April 1945.

Owing to a breakdown in the sulphur furnaces at Tommaso Natale superphosphate plant, it has been necessary to start sending them pyrites for burning instead of sulphur.

10. NITROGENOUS FERTILISERS

The Montecatini plant at Crotone was permitted to draw extra power from 5 April 1945, since when they have gradually brought their synthetic ammonia plant into operation on a reduced scale. The original 9,000 KW granted was less than was the minimum asked for, and now after some delay the A.F.L.R.B. Electricity Board, has granted the full 12,000 KW originally requested, but only up until 20 May. Thereafter, presumably, this large plant will have to stop making ammonia and the ammonium sulphate which is made therefrom. It is pointed out that this critically important plant cannot be jeopardised by running intermittently and reconsideration of the allocation is therefore being sought.

Nera Montoro. The plant at Nera Montoro operated the whole month at a reduced scale and after supplying all military and civilian needs for an[illegible] ammonia for refrigerating plant is now producing anhydrous sulphate

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, which far surpassed what the superphosphate producers could afford under the present government fixed price of 5,250 lire per ton of superphosphate.

As the result of strong representation by this Sub-Commission, it is agreed in principle by all authorities concerned that this freight rate shall be reduced drastically to what the traffic can bear, which is in the neighbourhood of 400 lire per ton. However, the actual implementation of the agreement by the Italian Government does not appear to have been made.

9. FERTILISER PLANTS REACTIVATED

At the end of the month two more superphosphate plants resumed operations; namely, Roma Tuscolana (28 April 1945), which will shortly be producing superphosphate at the rate of 1,500 tons/month. This plant has waited all the month on the allocation of the necessary power which is 50 KW. Orbetello, which is scheduled to receive power 1 May 1945 (120 KW), will be producing shortly at the rate of 2,700 tons/month. Porto Recanati was derequisitioned w.e.f. 20 April 1945.

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Nera Montoro. The plant at Nera Montoro operated the whole month at a reduced scale and after supplying all military and civilian needs for anhydrous ammonia for refrigerating plants is now producing anhydrous sulphate at the rate of over 500 tons/month.

Soc. Elettrica Sarda have been operating their ammonium sulphate plant at Oschiri all the month without change. In April production was:

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Ammonia	150 tons
Sulphuric acid	1,050 "
Ammonium sulphate	600 "

Despite the fact that plants for the oxidation of ammonia to nitric acid exist at both Crotone and Nera Montoro, no production of this critically needed acid has been found possible owing to the absolute lack of platinum which is used in the oxidation process. It has been urged upon the Italian authorities since November last that it is of the utmost importance that requisitions to import platinum-rhodium alloy be placed.

11. FUNGICIDES - COPPER SULPHATE

The Montecatini plant at Bagnoli operated throughout the month and while the rate of production was considerably improved it is still relatively low, having reached a monthly output rate of from only 300 to 400 tons. Stocks of copper sulphate in crystal form at the end of the month were 340 tons.

Brindisi - Several hundred tons of brass shell cases have been delivered to this plant but it is not yet de-requisitioned.

Puccioni - Castellina in Chianti began producing sulphuric acid on 10 April 1945 at the rate of approximately 300 tons/month. This will be used for making copper sulphate. Present stocks of scrap metal are sufficient to produce nearly 200 tons. Superphosphate production is waiting for provision of railroad facilities for importing the phosphate rock via Livorno.

The Etruria Co. plant at Campiobbi has been making sulphuric acid since 15 April 1945, and procurement of up to 1,000 tons of brass military scrap, i.e. cartridge cases, etc., is actively in hand. Regarding superphosphate, transportation is again the bottleneck.

Northern Italy - Preliminary programs presently contemplated for the north call for the importation of up to 288,000 tons of phosphate rock for the production of over 450,000 tons of superphosphate.

12. SYNTHETIC FIBRES

No change of status has occurred at the Rome plant which being still deficient of carbon bisulphide, coal and power remains without determinable date for reactivation.

Request received for the de-requisition of C.I.S.A. Viscosa plant at Rieti has opened the entire question as to whether it is not preferable to defer action for consideration of the industry as a whole now that the north has been liberated. It should be noted that until the latest advance over 95% of the capacity was still in German hands, i.e. fourteen plants against two in liberated Italy.

13. CALCIUM CARBIDE

Despite numerous difficulties, sufficient coke, carbon electrodes and power were obtained to manufacture at the Terni Company's works at Papigno [illegible]. This raised stocks at the end of the month to [illegible] months have been

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The Etruria Co. plant at Compiobbi has been making sulphuric acid since 15 April 1945, and procurement of up to 1,000 tons of brass military scrap, i.e. cartridge cases, etc., is actively in hand. Regarding superphosphate, transportation is again the bottleneck.

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13. CALCIUM CARBIDE

Despite numerous difficulties, sufficient coke, carbon electrodes and power were obtained to manufacture at the Terni Company's works at Papigno 300 tons of calcium carbide. This raised stocks at the end of the month to nearly 800 tons. As military withdrawals over the past few months have been on the average of 250 tons/month, the time is now believed at hand when civilian needs should be given consideration. This, plus the problem of obtaining coke for the continuing of production, is under immediate consideration.

14. MILITARY EXPLOSIVES PLANTS

An active program for conversion of war plants to peaceful purposes has been undertaken. With this object, the Montecatini plant at Carmigano (Florence), the B.P.D. plant at Colleferro, and the Stacchini plants near Rome

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have been inspected. A program for the conversion of facilities for the manufacture of mining and agricultural explosives, synthetic coating (nitro-cellulose base), organic solvents, oleum, etc., is being recommended.

15. SULPHUR

Since the withdrawal of A.C. personnel it has not been possible to obtain detailed and definite information on deliveries from the mines in Southern Italy and Sicily. However from a frequent perusal of the schedule of railway bids it appears that deliveries are going forward smoothly. C.A.P. and U.P.I.C. are regularly arranging the moves of sulphur in the Italian Governmental territory and as far as can be gathered they are adhering quite closely to the programme originally laid down.

It is known that the grinding facilities in Sicily are now operating, and the first export shipment to Sardinia are 500 Tons ground sulphur has been effected.

The situation in the North is one which is receiving considerable attention. The mines are not yet operating and although it is known that AFHQ are anxious to increase sulphur shipment the stocks at mine head Cabernardi, Perticara and Formignano must be reserved for industrial and agricultural requirements.

Grinding for agriculture has gone on quite satisfactorily and the new grinding facilities at Belisio came into operation at the beginning of April grinding 40 tons per day.

In order to be prepared for more northerly requirements endeavours are being made to reactivate the refinery at Cesena were up to a further 40 tons will be ground and refined.

16. SALT

The rehabilitation and reconstruction of the salt works at Volterra are still under consideration and to enable the Monopoly to consider this question in more detail an Engineer has been sent to the Works to investigate fully as to how much can be carried out with local labour and material and to formulate a plan for the Monopoly's consideration.

17. MATCHES

This industry is progressing favourably under C.I.F. The only difficulty experienced was the supply of poplar wood, which was being indiscriminately used by the military. This has now been clarified and all poplar wood is to be restricted solely for use of match manufacture.

18. TOBACCO

The difficulty in the supplies of special paper for cigarette manufacture is not yet quite settled, but it is anticipated that by the intervention of MMIA supplies from the U.S. will continue until the new requisitions sent forward under the Essential Rehabilitation Programme 1945 becomes operative. However, to assist the situation efforts are being made to commence production of this particular type of paper at the Cartiera Meridionale del

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A difficulty has arisen as regards the question of coal supplies for the Tobacco factories as a whole. Heretofore supplies have been forthcoming through UPIC but these have fallen off, and representations by the individual factories to their local branches of UPIC and by the State Monopoly to the

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Ministry of Industry, Commerce and Labour have produced no result. In view of the necessity of maintaining this industry a special case has been submitted to Commerce Sub-Commission.

19. NICOTINE SULPHATE AND TOBACCO EXTRACT

Plans are proceeding for the reactivation of six plants:-

LUCCA - commenced production on the 10 April and the output should be at the beginning about 1,500 litres of sulphate per month.

NAPLES - Has everything ready now. All raw materials are forthcoming and it is anticipated that production will start in the next few days.

BARI - the production of Tobacco Extract is now in full swing and it is anticipated that about 4,000 kgs. will be produced monthly. The production of Nicotine Sulphate is held up until such time as the application of 15 tons coal monthly is approved.

CAVA DEI TIRRENI - Production here is held up until the plant receives an allocation of 20 tons coal per month.

CAGLIARI AND CATANIA - Final information is still awaited, but it is anticipated that these two plants will be ready to start operations as soon as an allotment of 10 tons coal each per month is made.

20. RUBBER

There has been very little progress made in the Rubber Industry during this month. All possible efforts have been made but without success. It is hoped that the liberation of Northern Italy will offer us some opening through the wall we are now up against.

Importations of raw materials to Pirelli (Italy) are not so far forthcoming, although the CC/S have approved requisitions. It is possible that in the north synthetic rubber (Pirelli at Ferrara) and tyre cord fabric (Pirelli near Milano) can be produced and thus this difficulty can be surmounted.

For the Pirelli Tyre Plant at Tivoli two extruders are still the subject of discussion. Meanwhile it is anticipated that this equipment may now be borrowed from the main Milano factory so that tyre production may start irrespective of present negotiations.

Arrangements have been made for Pirelli to receive 200 tons of [illegible] dust from the American Ordnance

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Arrangements have been made for Pirelli to receive 200 tons of salvage tyres and tubes (unrepairable) and rubber dust from the American Ordnance Tyre Repair Companies. This salvage will be converted into reclaimed rubber which will be used in the production of general and technical articles. This will maintain the Pirelli Rubber Reclaiming Factory at capacity for the time being.

21. CEMENT

As stated in last monthly report the efforts to increase cement production materialised in certain plants, and a substantial increase was obtained at the Colleferro plant, the estimate of 4,000 tons being exceeded by 224 tons.

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Production at S.A. Guidonia has now begun and 1,000 tons of clinker was produced during the last 14 days of the month. Grinding of this material is now in full swing and the estimated 1,000 tons of cement will be available from the 6th of the month. Power has now been increased to 1,500 KW, this will enable the full output capacity of the plant for the month of May onwards.

Soc. Italcementi Monopoli produced 900 tons of clinker during period 20/27 April and provided coal supplies continue it will be possible to obtain 3,500 tons of cement during the month of May.

Soc. Cementerie dello Jonio Taranto did not produce any cement during 20/27 April; as a matter of interest only 88 tons was produced during the whole month. The Ministry of Industry, Commerce and Labour has been approached on the matter and requested to carry out an investigation and report the findings to this HQ. Soc. Ilva Bagnoli produced 1,200 tons quality 350-400 cement against the figure of 1,500. The reason given for the decrease being shortage of conveyor belting. An effort is being made to rectify this during the next few days.

Vibo Valentia. It is hoped to commence this plant during the next few weeks on a mixture of Pulverised Coke and Lignite, but as this is a new plant it is not possible to tell if this will be successful.

Production

TABLE I

Production figures for April

Colleferro	5537 tons	cement	includes 1313 T. in stock from Mar.
Guidonia	1000 "	clinker	Production first half May
Monopoli	900 "	clinker	" " " "
Bagnoli	1969 "	cement 350/400	includes 769 T. from March.
Taranto	88 "		
	9494 tons		

TABLE II

Estimated production for May

TARANTO	MONOPOLI	GUIDONIA	COLLEFERRO	BAGNOLI	VIBO VALENTIA

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TABLE II

Estimated production for May

TARANTO	MONOPOLI	GUIDONIA	COLLEFERRO	BAGNOLI	VIBO VALENTIA
not known	3500 tons	3000 tons	6000 tons	2000 tons	3000 tons (+)

Total 17,500 tons (+) provided tests are successful.

22. STEEL

At the Ilva Plant S. Giovanni Valdarno an effort is being made to reactivate the Nail manufacturing part and a bid for 70 tons of Drawn Wire has

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been submitted to Engineering Materials Committee. Arrangements are now well in hand with Transportation Sub-Commission (Movements) regarding the transfer of motors from Piombino to S. Giovanni Valdarno but it will be some time before these will be completed. It is estimated that there will be a delay of at least two months before the plant starts a rolling programme.

23. MINING

(a) Sardinian Coal Production

Production and sales data received from the Chief Mining Officer, Sardinia for March are as follows:-

	Metric Tons
Stock on hand 1 March	13,373
Production March	34,887
Reclaimed coal March	4,041
Total	52,301
Sales March:	
Local Sardinia	9,228
Export	34,366
Total	43,594
Stock on hand 31 March	8,707

The estimated production for April is 26,000 metric tons. Actual production and sales data are not yet available.

Production throughout March averaged 1,315 tons per day with an average underground working force of 3,100 men. There were two general labour disturbances during the month. One was a short general "walkout" strike during March 3, 4, 5, and 6, and the other starting on 15 March at Bacu Abis mine and continuing until 29 March, was a "work slow" strike. The latter was so successfully conducted that production at Bacu Abis mine was reduced from an average of 550 tons per day to 100 tons per day.

The low estimated production for April is based upon the continued work slow policy which flared up again on the first of the month and continued until April 19. At the time of writing daily production is nearly normal. During the slow down strike, however, production averaged less than 800 tons per day or below 50% of the normal.

The coal listed as reclaimed is coal previously moved from the loading pier to make room for freshly mined coal during the period when shipping was scarce. This coal has been sampled and much of it found suitable for sale, consequently with the present shortage it was decided to utilise it.

During the month of April the Mining Division of Industry Sub-

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During the month of April the Mining Division of Industry Sub-Commission has conducted conferences, held meetings, and prepared recommendations regarding the present unsatisfactory conditions in Sardinia. These meetings were held with members of the Economic Section and with representatives of the Italian Government. To date no decisive action has resulted; the Italian Government however did send a Committee of 3 men to Sardinia to investigate the conditions. These arrived on 19 April and the strike stopped on the same day. It is quite evident that the labour agitators called a stop to the strike when this Committee arrived. How long this present normal rate of work will continue is uncertain.

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(b) Lignite Production, Italian Mainland

The estimated production for April is 46,000 metric tons. Possible production for May can be well over 50,000 tons.

The potential production of lignite is quite satisfactory. However, production is being curtailed because of:

(i) Present stockpiles.
(ii) Difficult transportation.
(iii) Financial conditions of mines.
(iv) Lack of nearby markets.

This condition may result in an unfortunate situation in the near future when this lignite will be in greater demand.

There are two lignite mines located on railways, the remainder of the producing mines mostly depend upon truck transportation to haul from the mine to the railhead. This creates a hardship on the mine since road transportation is both scarce and expensive, consequently many mines are curtailing production to the limit of local sales only.

The largest potential lignite producer in Italy, the Societa Mineraria Valdarno, is not producing to capacity because of internal financial difficulty, and the present low price realised for these lignites.

During the month a new price for lignite was recommended to the Price Committee. This was accepted in part but has not been ratified to date. This new price may be instrumental in solving some of the financial difficulties.

(c) Metal Mines, Sardinia

Metal mines in Sardinia continued to be on a maintenance basis.

370 tons of pigments and 50 tons of soft lead have been shipped to the mainland.

(d) Mainland Metal Mines

Of the Mercury mines Abbadia San Salvatore is producing at about 55% of the normal capacity and Carpinete - Siele mine is on maintenance basis. Power for maintenance at Abetina mine has now also been made available.

Power for operation of Monte Valerio Tin mine has now been allocated from reserve. This power is subject to withdrawal without notice should emergencies arise. The company is treating with Societa Terni for the casting of manganese steel liners for their ball mills. Supplies on hand are sufficient for five months operations.

(e) Sulphur Production, Sicily

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(e) Sulphur Production, Sicily

Report from Ente Zolfi Siciliani for March shows:

	Metric tons
On hand at mines 1 March 1945	10,614
Produced March	4,041
Shipped from mines, March	5,088
On hand at mines, 1 April	9,567

Prospects for increased production were good after announcement of the new sulphur price, but additional demands for wage increases during April again threatened to interfere with the production programme.

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(f) Sulphur Production, Italian Mainland.

4 mines in Southern Italy are operating producing both ground ore (30-33% S.) and crude and refined sulphur in blocks and as powder.

In North Italy Cabernardi mine is reconditioning, using power from its own power station of Serra S. Quirico. Other mines are attempting to get diesel generators installed.

(g) Pyrites

Electric power at 200 KW has been made available to Niccioleta pyrite mine in the Grosseto area, subject to interruption between 0630 and 2200 hours. This mine is being prepared for production. Other major pyrite mines, requiring continuous 24 hour power service, are waiting.

(h) Supplies.

Expendible supplies available to coal, lignite and sulphur mines are adequate for operations to July or longer. Fuse essential for the operation of asphalt, mercury, cement rock and other mines is in very short supply. The shortage may prevent reactivation of some and cause shut downs at other of these mines.

24. COAL DISTRIBUTION

During the first half of April reduction of the output from Sardinia materially decreased the supply of coal available for distribution. Many plants of military importance were being supplied with this coal and the loss had to be replaced from imported sources. For civilian purposes coal is only being supplied for essential needs and any reduction of supplies reacts very sharply. Towards the end of the month production increased, and it is hoped will be maintained.

The withdrawal of A.C. officers from Sicily and the South threw the full burden of responsibility on local Italian Government officials. As soon as the importance of these duties became apparent, many difficulties arose for solution. However, towards the end of the month, the allocation and rationing was working more smoothly and the necessary returns were arriving. The organisation of the wholesale importers and merchants to handle all coal except for the railways, when arranged, will complete the scheme.

It was decided to carry into effect the plan made some time ago to allocate sufficient coal to the Gas works able to operate in Central Italy, on the basis of 50% of their prewar consumption. This will be sufficient to allow gas to be provided for about seven hours per day for cooking purposes. The works involved are Leghorn, Prato, Lucca, Montecatini, Arezzo, Siena, Florence and Bologna, and allocations for the month of May have been made accordingly.

The quantity of lignite available for distribution continues to increase, but the quality of this fuel limits the use to which it can be put. The following tables show the quantities and categories of industries supplied during March:-

Gas	629 tons
Electricity	7875

1020

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Electricity	7875	
Cement, bricks, etc.	13620	
Metallurgy	7001	
Glass, ceramics	1600	
Food	2079	
Paper	318	TOTAL: 36837
Chemicals	1391	
Hospitals, etc.	2278	
Miscellaneous industries	7046	

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The distribution of imported coal by quantities and categories of industries is shown in the following table:

Railways (A.C.)	15400
Gas	17125
Electricity	3700
Cement	-
Metallurgy	850
Glass, ceramics	800
Textiles	240
Chemicals	-
Paper	-
Food	1450
Hospitals	-
Miscellaneous industries	790
TOTAL:	40355

As from 1 May the Coal Division becomes part of the Commerce Sub-Commission to conform with the recent re-organisation of responsibilities within Economic Section.

25. ELECTRIC POWER

In addition to allocations shown under specific headings, at the meeting of the Electric Power Committee, A.F.L.R.S. on April 17 increased allocations of power for paper, match and tobacco manufacturing were made. The Montecatini Plant at Crotone was allowed to increase its demand from 9,000 KW to 12,000 KW until 20 May. Power was obtained for the Guidonia Cement Plant and Roma Tuscolana plant of Montecatini.

26. GLASS

There is no change in figures on flat glass production from April report, except that the Sciarra plant has been taken over by DEPS (AFHQ) and, is now producing for military requirements. A considerable increase in production of table-ware for army use has occurred in Toscana Region but no tonnage figures are available. The Vetrerie Riunite Bordoni, Rome, began production of bottles and tableware at 3 tons per day in the last week of April.

27. CERAMICS

AFHQ has asked for data on coal requirements of the Richard Ginori Co., Florence for insulator production only. Apparently, the former viewpoint, that no coal can be allowed for electric insulators, may now be considered abandoned.

28. TEXTILE INDUSTRIES

(a) General

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28. TEXTILE INDUSTRIES

(a) General

The rapid liberation of the North of Italy has uncovered more than 80% of the textile manufacturing capacity of the country, and although no detailed information has yet been received from the chief centres, it appears clear that damage, whether by sabotage or military action, is, contrary to expectation and previous experience, negligible. In addition it is understood that sources of electricity supply are generally intact, and therefore industries should be able to operate to a substantial degree of maximum capacity.

It is likely therefore that the immediate problem will be that of raw materials, chiefly cotton and wool. It is probable that stocks will be

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low, and indigenous production, in any case small in relation to requirements, is almost entirely located in the centre and south and has already been earmarked for consumption in plants liberated before the latest advance.

Very heavy importations of cotton and wool will therefore be necessary if these two industries, which together employed upwards of 300,000 operatives, mostly women, and which constitute a vital factor in the Italian economy, are to be rehabilitated. Pending the receipt of accurate data estimates are therefore being made of the possible requirements of these two commodities with a view to the submission of provisional requisitions. The contribution made by the manufacture of artificial fibres, upon which Italian textile industries became increasingly dependent from 1934, will on account of its need for imports of cellulose and consumption of other commodities in short supply also need careful consideration.

Although there are known to be textile machinery and accessory plants in the North of Italy, these, even if undamaged and with access to raw materials, cannot meet all probable requirements, especially for card clothing, for which the wire and foundation were always imported. And in this connection it should be noted that if/part of Italy which has already been surveyed is a criterion of the North, few if any repairs or replacements will have been carried out during the past five years.

(b) Cotton Industry

Information has been received to the effect that 15,000 bales of American cotton against a requisition submitted by this Sub-Commission on behalf of the/Cotoniere Meridionali have been earmarked for shipment under category "B". Together with supplies of Sicilian cotton the receipt of this will ensure that the cotton manufacturing capacity of Southern Italy can be maintained almost to the scale envisaged in Industry Sub-Commission's Emergency Industrial Programme of August 1944, for a period of 12 months, provided that the accessories and processing materials requisitioned at the same time are also received or can be substituted from the North of Italy.

Considerable progress has been made with the rehabilitation of the sewing thread factory of Cucirini Cantoni Coats, Lucca, who with available power by working three shifts are now producing 1,350 Kgs. of thread a day, to be increased shortly to 2,000 kgs. a day. This will be the maximum until a large number of electric motors to replace those removed by the Germans can be replaced. In the meantime cotton has been made or will be made available from various sources, by Ord. (Br) for military requirements and from Sicily for civilian requirements, which will enable the production of 2,000 kgs. per day to be maintained for upwards of six months. Thereafter it is hoped that requisitions placed under the Industrial Reconstruction Programme will be met. Employment is being found for 1,400 operatives, some of them however only alternate weeks; this to avoid dispersion of skilled labour.

Manifatture Cotoniere Meridionali are to convert 40 and subsequently 160 tons of Egyptian cotton into hospital sheeting for the American medical services.

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A small quantity of electric power (120 KW) has now been made available for the Cotonificio di Spoleto, and this firm, whose machinery is in as good condition as any in Central or Southern Italy, are now able, as a quantity of Sicilian cotton has been released to them, to start operations on a small scale.

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Cotton goods production for April 1945:-

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Sewing thread	40,000	kgs. (approx,).
Yarn (weaving)	87,652	"
Piece goods (grey)	785,793	"
" " (bleached)	151,387	"
" " (printed and dyed)	331,759	"

In addition certain technical articles, e.g. filter cloths have been made, and experiments in the manufacture of fishing net twine. Production (except sewing thread) shows a reduction on previous month, particularly in yarn spinning. This is due largely to a strike in the spinning mills at Nocera.

(c) Woollen Industry

The production of woollen goods in the Prato centre has been greatly improved by the allocation on 12 April of the long awaited electric power. An allotment of 3775 KW for 14 hours a day and 1875 for the remaining 10 hours has been made to the industry, and this has been re-allocated between industrial firms by the Unione Industriale Pratese. This allocation meets the full needs of the machinery capacity of the moment, and it is understood that further supplies will probably be made available as additional machinery can be brought into use. The problem facing the industry will now primarily be that of raw materials. Moderate stocks of rags are held by manufacturers, and the Ministry of Industry has released from ammassi 1,200 tons of wool to mix with these. At a conference attended by representatives of the Ministry, the Trade, and Commerce and Industry Sub-Commissions, proposals for controlling issue of raw materials and output were discussed, and it was agreed that for every kg. of wool (scoured basis) 3 kgs. of cloth would be made and come under control. This compromise was adopted as rags are a free material, and an attempt to control or inventory them would probably drive them underground. A.C. undertook also to give what assistance was possible in the provision of transport, on condition that the requirements of the trade in this respect were made known. A programme of planned production is therefore to be prepared by the industry in conjunction with the Ministry.

Production of woollen piece goods and blankets amounted to 20,000 metres per day before the allocation of electric power, and this quantity is now expected to reach at least 50,000. Exact production figures have however not yet been received, as it will take some weeks for the full effect of the provision of power to take effect. Artisan production is not included in the above, as details are not available, but it is known that it is being maintained.

The first instalment, amounting to 7 tons, of woollen yarn requisitioned on behalf of the Alas Weaving Mills, Sardinia, has been landed at Leghorn. This has now to be re-shipped via Naples to Cagliari.

(d) Hemp Industry

The amount of hemp pooled in April has been very small being only 225 tons. This compares unfavourably with 1100 and 800 tons for February and March respectively. This sudden drop makes it imperative to reduce once more the amount of hemp products produced, unless suitable raw hemp can be re-

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It is considered that the reasons for this sudden drop are:

(i) That farmers are now fully occupied with sowing the new crops and are not scutching.

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(ii) The publication by the C.N.C. of a manifest stating that the price of the new crop will be about 70% higher than this year's crop. (This encouraged farmers to sow but was also an incentive for them to deliver as little hemp as possible this season in the hope of getting a higher price next season).

(iii) The constant and increasing black market, due to inadequacy of controls.

It is however encouraging to note that it is believed that the new acreage under hemp in the Naples area is 20% higher than last year. If this is correct the total acreage under hemp would be 12,000 hectares with a production of 12,000 tons. In addition unconfirmed figures show 24,000 tons of hemp amassed in the North, with 40,000 hectares planted.

Production

(i) Yarn - 15% under normal

(ii) Canvas - Heavy + 32% over 1944 average

Medium - 16% under " "

Light - 19% under " "

(iii) Sacks - 13% under " "

(iv) Ropes - 25% under " "

(v) The above figures reflect in part the curtailment in production due to the scarcity of the raw material.

(vi) A new type of Cereal type sack is now being produced. This is made entirely from tow handcombings and waste from the carding machines of which there are fair stocks. These materials could, in the past, be used only in the Jute factories. They will now be used in the ordinary weaving mills and a rough yarn is being produced by the spinners.

Labour

It is understood that the Italian Ministry of Industry, Commerce and Labour has sanctioned increases in the price of manufacture of hemp products in the following proportions:-

Spinning 150%
Weaving 95%
Ropemaking 85%
} increase over prices paid for manufacture in April 1944.

These increases are mainly due to the additional costs in-

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Weaving 95%
Ropemaking 85%
} increase over prices paid for manufacture in April 1944.

These increases are mainly due to the additional costs incurred by the industry for Labour and Maintenance.

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So far there have been no repercussions on account of the reduction in working hours, due to the scarcity of raw materials.

Weaving has been reduced to about 60% of normal and four small weaving mills will cease to operate about the middle of May. It is hoped however that production of the new Cereal sacks may help to give fuller employment. If hemp arrives from the North it will be possible to return to normal production.

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Fertiliser

1418 tons of ammonium sulphate were moved to the Consorzio Agrario warehouses in the Naples hemp area and distributed to the farmers.

310 tons of fertiliser were sent to the Hemp Officer in the Emilia Region for distribution among the farmers of that district.

29. LEATHER INDUSTRY

Production during the month was still most disappointing, amounting to only approximately 50 tons sole leather, 30,000 sq. ft. upper leather and 3,500 kilograms of belting leather. Making all allowances for the initial difficulties in respect of transportation, it is considered that this output, which is little better than that before the introduction of the Government sponsored scheme, should have been substantially higher.

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SECTION III-PERSONNEL

During the month the following assignment of officers has taken place:-

Major W. E. Mydans to Venezia
Major J. F. Harris to Piemonte
Capt. J. E. M. Dury to Venezia
Capt. T. G. Elliott and Capt A. R. Pengilly to Lombardia
Lt. K. McHoul to Liguria
Mr. Thorogood to Emilia
Mr. R. C. Magee to Lombardia

Lt. Comdr. Pollard J. H. joined this Sub-Commission from Sicily.

The result is that the industrial teams for the provinces have now been completed and all officers with one exception have joined their respective teams, the exception being that Capt. Radcliffe although belonging to Toscana Region is operating from this HQ.

The teams now stand as follows:-

TOSCANA	-	Capt. A. F. Radcliffe
EMILLIA	-	Major H. D. Bradbury Lt. G. E. J. Benn Mr. H. Thorogood
LIGURIA	-	Major K. C. Wilson Capt. T. H. Corwin Lt. K. McHoul Maj. Haig
PIEMONTE	-	Major. H. G. Reid Major J. F. Harris Major Thornitt-Smith Capt. T. P. Hunter Capt. J. Bender
LOMBARDIA	-	Major A. C. Lister Major D. A. Duncan Major J. R. Stockman Capt. T. G. Elliott Capt. A. R. Pengilly Mr. R. C. Magee
VENEZIA	-	Lt. Col. S. W. Archibald Major W. E. Mydans Capt. J. E. M. Dury
SARDEGNA	-	Major G. F. Hatch Major M. A. Matthews W/O H. Disco
SOUTHERN	-	Capt. F. C. Rae

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SARDEGNA	-	Major G. F. Hatch Major M. A. Matthews W/O H. Disco
SOUTHERN	-	Capt. F. C. Rae Mr. W. S. Lackhouse

Thus Industry Sub-Commission has been reduced far below a workable 1017
level and consists of the following officers only:-

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Lt. Col. W. J. Maskrey
Major E. E. R. Kilner
Major R. W. Reeve
Major J. Rosenbaum
Major A. McNaughton-Wright
Lt. Comdr. J. Schlee
Capt. D. S. Kingery
Capt. N. R. L. MacDonald
Capt. D. F. Roberts
Capt. R. P. Bullock
Lt. L. Mehr
Lt. F. N. Spencer
Lt. Comdr. Pollard
Mr. V. Dorkovich
Mr. Drootzkoos
Mr. G. Meredith

W. J. MASKREY
Lt. Colonel,
Acting Director,
Industry Sub-Commission

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HEADQUARTERS ALLIED COMMISSION

ECONOMIC SECTION

INDUSTRY SUB-COMMISSION

MONTHLY REPORT

No. 9

MARCH 1945

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INDUSTRY SUB-COMMISSION

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SECTION I - GENERAL

During the month of March, in accordance with a directive of the President of the Allied Commission, information was collated and staff studies prepared embodying all the information necessary for the resumption of control by the Italian authorities of the industries in that part of Italy south of the northern boundaries of the Provinces of Viterbo, Rieti and Teramo and in the Islands of Sardinia and Sicily. The information thus brought together shows a complete picture in the case of every industry and should enable the Italian Minister of Industry, Commerce and Labour to take over control effectively without, what might otherwise prove to be, a disastrous time-lag. Advice and help will, of course, be offered to the Italian Government whenever it is requested and it is within the power of the remaining technical officers of Industry Commission.

Owing to the shortage of manpower, and to the necessity of withdrawing from this HQ technical officers assigned to Northern Regions, it has been found necessary by the Chief of Staff to give a directive that the ceiling of officers and civilian personnel of this Sub-Commission (already much below bare necessity for the duties to be performed) should be reduced from 26 to 15. This is a tragic situation in view of the fact that the highly industrialised North of Italy is likely to fall into Allied hands at a very early moment and huge industrial problems will need to be solved. These problems cannot be dealt with by the officers on the spot in the regions as they will be of a national and, indeed, of an international character. The strength of the industrial teams for the North is below the barest minimum which can effectively deal with day to day problems. It is considered that this problem of technical manpower is one which must be resolved at an early moment in the interests both of Italian industry, and of what contributions in materials, finance and subsistence may be called upon from the Allied nations, to avoid unemployment, unrest and starvation in the industrial north. Industry Sub-Commission needs to be staffed by officers with special technical knowledge. Their numbers cannot be limited below the numbers of industrial groups which must receive skilled advice and assistance and whose needs for materials, both of domestic and imported supply need to be technically screened. This Sub-Commission has worked since its inception, without a relief officer for any Chief of Division and the incidence of sickness which has been heavy during the winter has imposed an additional strain on officers already overburdened. It may be noted that the strength of 15 officers and Allied civilian engineers is already subject to depletion by the imminent departure of the Director to the United States, where he will present the industrial rehabilitation programme, and by the fact that a minimum of three officers is required for executive work and for the exacting duties entailed by coordination of Allied Forces Local Resources matters. The effective industrial engineer strength at HQ is therefore eleven.

1. RELATIONS WITH THE ITALIAN GOVERNMENT.

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Italian authorities of the industries in that part of Italy south of the northern boundaries of the Provinces of Viterbo, Rieti and Teramo and in the Islands of Sardinia and Sicily. The information thus brought together shows a complete picture in the case of every industry and should enable the Italian Minister of Industry, Commerce and Labour to take over control effectively without, what might otherwise prove to be, a disastrous time-lag. Advice and help will, of course, be offered to the Italian Government whenever it is requested and it is within the power of the remaining technical officers of Industry Commission.

Owing to the shortage of manpower, and to the necessity of withdrawing from this HQ technical officers assigned to Northern Regions, it has been found necessary by the Chief of Staff to give a directive that the ceiling of officers and civilian personnel of this Sub-Commission (already much below bare necessity for the duties to be performed) should be reduced from 26 to 15. This is a tragic situation in view of the fact that the highly industrialised North of Italy is likely to fall into Allied hands at a very early moment and huge industrial problems will need to be solved. These problems cannot be dealt with by the officers on the spot in the regions as they will be of a national and, indeed, of an international character. The strength of the industrial teams for the North is below the barest minimum which can effectively deal with day to day problems. It is considered that this problem of technical manpower is one which must be resolved at an early moment in the interests both of Italian industry, and of what contributions in materials, finance and subsistence may be called upon from the Allied nations, to avoid unemployment, unrest and starvation in the industrial north. Industry Sub-Commission needs to be staffed by officers with special technical knowledge. Their numbers cannot be limited below the numbers of industrial groups which must receive skilled advice and assistance and whose needs for materials, both of domestic and imported supply need to be technically screened. This Sub-Commission has worked since its inception, without a relief officer for any Chief of Division and the incidence of sickness which has been heavy during the winter has imposed an additional strain on officers already overburdened. It may be noted that the strength of 15 officers and Allied civilian engineers is already subject to depletion by the imminent departure of the Director to the United States, where he will present the industrial rehabilitation programme, and by the fact that a minimum of three officers is required for executive work and for the exacting duties entailed by coordination of Allied Forces Local Resources matters. The effective industrial engineer strength at HQ is therefore eleven.

1. RELATIONS WITH THE ITALIAN GOVERNMENT.

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The return of all territory (with the exception of Foggia and Naples Areas) south of a line drawn along the northern boundaries of the provinces of Viterbo, Rieti and Teramo to the administration of the Italian Government and the closing of Southern and Lazio-Umbria Regions has imposed upon the Ministry of Industry, Commerce and Labour a heavy burden of responsibility. This will necessitate considerable additions to the Minister's administrative facilities (personnel, transportation, communications, etc.) beyond those now available.

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In addition there are many directions in which clarification of the situation is required before smooth functioning can be expected. This is particularly the case with regard to the control of industrial facilities lying within the administrative zone. These controls are now exercised by the Armed Forces, and include the reporting and allocation of materials controlled and restricted under Allied Force Local Resources Board within this zone. The Italian Government must now in this territory deal with allocations of power, solid fuel and transportation, and deal through this Sub-Commission with cases for de-requisitioning of industrial premises within the zone which has been released to Italian Government control.

With the withdrawal of Industry officers of Allied Commission from Southern and Lazio-Umbria Regions the duties hitherto performed by them must be performed by officials of various Italian organisations under the direction of the Ministry of Industry, Commerce and Labour. As the Ministry itself is severely handicapped by lack of adequate personnel and transportation, it is to be anticipated that effective functioning through provincial officers will present great difficulties.

2. DE-REQUISITION OF INDUSTRIAL PREMISES

Successful representations for the de-requisitioning of industrial premises occupied by the Armed Forces have resulted during the month of March in the release, or the notification of impending release, of the following premises:

(a) Atripalda Tanning extract factory.
(b) Montecatini Fertiliser and Chemical Works, Porto Recanati.
(c) Naples Yeast Factory (Distillerie Italiane).
(d) Rieti Sugar Works.
(e) Textile Mill (Maldini Meldola), near Florence.
(f) L'Ardita Brick Work at Molfetta.
(g) Cecchetti Railway Wagon Works - Civitanova, Marche.
(h) Alimentary Paste Factory (Cirillo & Fabbrocino) - Torre Annunziata.

Investigations are proceeding as to the possibility of partial or total de-requisitioning of a further nine industrial plants, including fertiliser and chemical works property of the Montecatini Combine, part of the Ansaldo plant at Pozzuoli and some of the saw-mills of the Sila.

A further 100/150 applications for derequisition of industrial plants have been received by the Ministry of Industry, Commerce and Labour, involving manufacturing facilities lying in both A.C./A.M.G. zones and in King's Italy.

Careful examination of all the factors which control the possibility of reactivating each individual plant must be carried out by officials of the Ministry of Industry, Commerce and Labour in collaboration with Industry Sub-Commission officers before any application can be made to the Military authorities for the necessary release.

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The responsibility of screening and investigating such cases increase with the liberation of the industrial North, and will necessitate a corresponding increase in the administrative facilities of the Ministry and of Industry Sub-Commission, which until now have been quite inadequate.

3. ENGINEERING MATERIALS COMMITTEE, A.F.L.R.S.

The 20th meeting of the Engineering Materials Committee of A.F.L.R.S. was held on 14 March 1945 in the A.F.L.R.S. (AFHQ) Conference Room, under the Chairmanship of Brigadier D. L. Anderson, CBE, Director of Engineer Production

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and Stores, A.F.H.Q. The Deputy Director of Industry Sub-Commission attended as the representative of Allied Commission. At this meeting it transpired that the steel production allocated for disposal by the Italian Ministry of Industry, Commerce and Labour would not be forthcoming to its full extent and that the first allocation would not consist of more than 700 tons. The necessary steps were taken with the Ministry of Industry, Commerce and Labour to provide the appropriate specifications. At this meeting a serious position with regard to the provision of wire nails was disclosed and in view of urgent military needs, March-April production at plants operated by the military, both British and American, was divided between D.E.P. and S., A.F.H.Q. and C.E. Mtousa. The Allied Commission had therefore to rely upon the small production from works under A.C. control. The situation with regard to production of ammonium gas which is produced under the control of Industry Sub-Commission, was investigated and, as military requirements amounted to only 17 tons in all, the substantial balance of 83 tons from the Nera Montoro plant production was made available for the preservation of food for the civilian population.

Dry Batteries which are in production at works under the control of Industry Sub-Commission were removed from the list of controlled materials and thus will be made available for urgent needs of the Italian State Railways and for essential civilian purposes. An application by A.C. for representation on the Industrial Gases Sub-Committee was accepted and it is unfortunate that the only officer able to undertake this duty for A.C. has since been posted from HQ to a northern region; membership, therefore, on this Sub-Committee of A.F.L.R.S. will need to be dropped.

The demand for cement for military needs, having increased owing to the development of operations, the meeting decided that cement should once more become a controlled material for the period of three months, commencing 1 April 1945. Shortage of coal, electric power, and means of transportation at works controlled by A.C. have impeded production. This fact was brought before the meeting and it was agreed that A.F.L.R.S. would give assistance in this respect. As a result, increased production during April and May is certain, subject only to the actual availability, within the theatre of coal.

Calcium carbide produced under A.C. control was reported for the month as 500 tons of which 100 tons was allocated to P.B.S. Engineers, 200 tons to D.E.P. and S., and 200 tons to A.C. for industrial and mining use. Allied Commission raised the matter of the necessity of protecting poplar wood used by the match monopoly for the manufacture of match-splints. It was pointed out that a large part of the Italian State revenue depended upon the taxation of matches. The matter was sympathetically considered by the Committee and postponed for decision to the April meeting. Fair allocations of controlled items followed and special consideration was given by the Chairman to A.C. representative's request that plant and equipment at factories which were capable of early reactivation be protected.

4. A.F.L.R.S. REPRESENTATION

It is felt, having regard to the greatly reduced strength of the

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4. A.F.L.R.S. REPRESENTATION

It is felt, having regard to the greatly reduced strength of this Sub-Commission and the heavy duties falling upon every officer, that representation of A.C. on the following A.F.L.R.S. Committees should be a full-time duty for a specially nominated officer:

Industrial Coordination Committee.
Electric Power Committee.
Engineering Materials Committee.
Industrial Gases Sub-Committee.
Miscellaneous Purposes Committee.

This suggestion has been put before the Economic Section for consideration.

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SECTION II - INDUSTRIAL ACTIVITIES.

1. BEET SUGAR PRODUCTION.

Reference is made to the reactivation programme for beet sugar production referred to in previous monthly reports of this Sub-Commission. Movement of equipment from the inactivated Littoria plant to the plants located at Rieti, Granaiolo and Cesena is proceeding satisfactorily. Other rehabilitation work at these plants and at the Jesi, Foligno and Capua plants is also satisfactory. Unfortunately the Avezzano plant had to be omitted from this Sub-Commission's programme due to the lack of support received from the Italian Government in obtaining certain materials essential to the reactivation of this plant. On the basis of estimated hectareage figures for sugar beet cultivation provided by the Italian Ministry of Agriculture approximately 13,100 metric tons of sugar and 4,000 tons of molasses will be produced. The molasses produced is destined to be processed to meet Allied Army yeast requirements.

The Ministry of Industry, Commerce and Labour was informed that the responsibility for the rehabilitation and prosecution of the sugar campaigns at Santa Eufemia, Avezzano and Battipaglia is now that of the Italian Government since the territory in which they are located is no longer under A.C. control. It was pointed out that all possible aid will be given by Industry Sub-Commission.

2. YEAST MANUFACTURE.

A comprehensive report on the yeast producing facilities in the area relinquished by A.C. has been prepared for the Italian Government. It was agreed at a meeting with H.E. the Minister of Industry, Commerce and Labour that initiation of bids for materials to maintain and possibly increase production at the Rome and Barletta plants are now the responsibility of the Ministry but that all requests for materials should be channeled through Industry Sub-Commission. In effect, operation of these plants still rests with the Allied Commission.

Partial de-requisitioning of Naples yeast plant is now taking place and work has been started to rehabilitate and to repair equipment at this plant. It is projected to produce approximately 65 tons monthly of urgently needed fresh yeast at the completion of present rehabilitation plans. Production is expected to commence in two or three months.

3. FOOD PROCESSING PLANTS

Reports to the Italian Government concerning food processing plants in the areas relinquished by the Allied Commission have been prepared.

Regeneration of 1,361 Kgs. of rubber rings necessary for sealing food-cans is now taking place as arranged by this Sub-Commission in Naples. These rings are necessary for sealing cans required for preservation of 600,000 kgs. of fruit pulp.

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A study is being made of the important Arrigoni food processing plants with a view to their potential reactivation this year. The programme has been presented to Industry Sub-Commission by the management but action on de-requisitioning of certain plants, and the supply of certain raw materials, is awaiting approval by Food Sub-Commission of the production programme.

4. PHARMACEUTICALS

Presented below in tabular form is a listing of raw materials which Industry Sub-Commission succeeded in obtaining for the Pharmaceutical

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Industries during the period from November 1944 to the end of March 1945.

PRODUCT	QUANTITY ALLOCATED TO THE ASSOCIATION FARMO-CHIMICI BY A.C. INDUSTRY S/C PHARMACEUTICAL DIV.	QUANTITY RELEASED TO MEMBERS OF THE ASSOCIATION WITH APPROVAL OF IND. S/C	STOCKS ON HAND WITH THE ASSOCIATION	NUMBER OF FIRMS OR CORPORATIONS SUPPLIED.
	Quintali	Quintali	Quintali	
Neutral Glass Tube	300 + 600	684.445	215.555	69
Normal Glass Tube	300	268.566	31.434	26
Vaseline Oil	0.50	0.50	-	1
Sodium Carbonate	60	60	-	9
" Bicarbonate	50	50	-	11
" Hydroxide	30	30	-	9
Sugar	100	100	-	47
Vaseline (filante)	3	3	-	3
Sulphur	60	-	60	Allocation in process
Calcium Carbide	20	-	20	Allocation in process

From the above table it will be noted that quantities listed are not of great importance. However, in view of the present great scarcity of finished pharmaceuticals in Liberated Italy, any production is a step in the proper direction.

It has been strongly recommended that the various Ministries of the Italian Government place into operation the plan proposed in last month's report. This plan, or some modification thereof, will do much to make available to the Italian population the small stocks of finished pharmaceuticals, now available, at reasonable prices.

5. CARBON BISULPHIDE

Once more this Sub-Commission wishes to emphasise the extreme importance for food and soap production of the manufacture and distribution of

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	Quantità	Quantità	Quantità	
Neutral Glass Tube	300 + 600	684.445	215.555	69
Normal Glass Tube	300	268.566	31.434	26
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5. CARBON BISULPHIDE

Once more this Sub-Commission wishes to emphasise the extreme importance for food and soap production of the manufacture and distribution of Carbon bisulphide. The status of the carbon bisulphide plants of Liberated Italy at the end of March is as follows: 1013

Spero "L'INSULARE", Catania.

Stocks on hand of Carbon Bisulphide at the end of March were 600 tons. Total storage capacity of this plant is small and is now strained. Thus, unless transportation for the finished product is made available, this plant must stop operations. The Consorzio Sansa acting on behalf of the Ministry of

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Industry, Commerce and Labour has been making strenuous effort to effect distribution of badly needed carbon bisulphide to oil extraction plants. Lack of transportation in the island of Sicily is causing serious concern.

Societa' Umbra Prodotti Chimici, Collestatte.

For want of electric power (many times requested) this plant was unable to start production during the month of March.

Ulisse Crocchi, Torrenieri (Siena)

An effort is being made to arrange manufacture at the Terni steelworks of three additional retorts. If this effort is successful the output of carbon bisulphide at this plant (approximately 70 tons per month) will be doubled.

Pagliacci Reatilli - Castiglione Fiorentino (Arezzo)

Further to last month's report, it is to be noted that 50 tons of sulphur have been allocated to the carbon bisulphide plant of Castiglione Fiorentino, and the Consorzio Sansa has been notified of the potential output of this plant whose product will play an important part in the regional food and soap producing programme.

6. GLASS MANUFACTURE

At the end of March 1945 the following plants were in operation, with outputs as shown.

PLANT	LOCATION	PRODUCT	DAILY OUTPUT.
Sciarra	Pontegalera	Flat Glass	450 sq. m.
Cristalleria Nazionale	Naples	(Neutral Glass) (Tubing)	1 Ton
Vitrum	Empoli	Flat Glass	1,000 sq. m.
Modesto Boschi	Colle Val d'Elsa	Flat Glass	300 sq. m.
St. Quentin	Pisa	Flat Glass	300 sq. m.

The net increase is 300 sq. metres of flat glass per day. This is due to the St. Quentin plant coming into production. The Sciarra Glass Plant was visited in association with D.E.P.S., A.F.H.Q. who has a heavy demand for clear sheet glass. As a result of the military need, it has been agreed to release this plant to the supervision of D.E.P.S.

7. BRICK WORKS

No increase in the March figures for brick production can be reported. The Spring production season will start during the month of April and output should increase considerably.

8. CERAMICS

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carbon bisulphide at this plant (approximately 70 tons per month) [illegible]

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8. CERAMICS

Oil has been obtained for the start of an experimental run at the Ginori plant on the production of electric insulators.

9. LUMBER

No output figures on lumber for civilian use are available for March. It is known however that a considerable quantity of lumber is going into the manufacture of fruit crates, but the amount cannot be determined. Final arrangements for the distribution of the imported lumber mill supplies were made

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with the Ministry of Industry, Commerce and Labour during March.

10. FERTILISER AND FUNGICIDE PLANTS (Superphosphates, Nitrogenous Fertilisers, Copper Sulphate).

The Montecatini plant at Bicocca (Catania) resumed operation on 1 March. The estimated output is 2,000 tons monthly of superphosphate fertiliser.

The Ammonium sulphate plant of the Soc. Elettricita Sarda at Oschiri (Sardinia) is now operating at full capacity, producing 900 tons monthly of Ammonium Sulphate.

In Tuscany raw materials have been delivered to the plant of Mario Puccioni fu Cesare at Castellino in Chianti for the manufacture of copper sulphate.

Power has been reconnected to the copper sulphate plant of the Soc. Etruria at Campiobbi (near Florence) and as soon as the flow of scrap brass (i.e. unserviceable cartridge cases, etc.) has been firmly established, this plant will begin the production of copper sulphate at the rate of several hundred tons per month.

For the first time since the Allies landed in Italy, export of Italian pyrites has begun, 2,600 tons having been shipped to Sardinia from Montecatini mines to the plant at Cagliari for superphosphate manufacture, and to the Soc. Elettricita Sarda for Ammonium Sulphate production.

The loading terminal at Portiglione belonging to the Montecatini Chemical Combine has been opened for traffic.

Unfortunately the high rate of 1,924 Lire per ton which is charged by COGENA for the short haul to the Islands for pyrites has held up further shipments until Montecatini, the supplier, can be guaranteed against the heavy loss this exaggerated freight rate entails.

Another difficulty in Superphosphate Fertiliser production has arisen in that the French authorities have refused to ship further phosphate rock from North Africa just at the moment that 20,000 additional tons of shipping space has become available due to practical cessation of Sardinian coal mining. Energetic steps are being taken to solve the problem and to cause the flow of phosphate rock to continue.

Urgent representations are being made to the Italian and French authorities to work out with the utmost despatch some mutual agreement which will permit resumption of phosphate rock without which the Italian superphosphate industry cannot function.

During the month 850 tons of brass cartridge cases were inspected and turned over to Montecatini for transport from the Anzio-Nettuno area to Bagnoli for conversion into copper and zinc sulphate.

A procedure is now being worked out between War Materials Disposal Sub-Commission, the Italian Ministry for Industry, Commerce and Labour and the

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A procedure is now being worked out between War Materials Disposal Sub-Commission, the Italian Ministry for Industry, Commerce and Labour and the manufacturers to permit organisation of a simple method of brass scrap collection and delivery.

11. ANHYDROUS AMMONIA PRODUCTION

On 13 March distribution of Anhydrous Ammonia to Italian civilian consumers was begun from the production at the Terni plant at Nera Montoro.

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In future 30 tons monthly of this material will be available for civilian food preservation uses, all production beyond this amount will be utilised for Ammonium Sulphate manufacture.

12. SYNTHETIC FIBRES

Reactivation of the Cisa Viscosa plant at Rome, which was anticipated for 1 April has had to be postponed owing to a total lack of carbon bisulphide for industrial uses. Other difficulties encountered were in obtaining supply of 600 tons monthly of coal and 600 KW of electric power.

13. SALT PROCESSING

The Salt Works at Saline di Volterra were heavily damaged by enemy action and rehabilitation for civilian food needs and for revenue is urgent. A complete schedule of requirements has been passed on to the Monopoli in order that they may consider this reconstruction and the possibility of sending forward a competent engineer to give his views and assistance thereon. At the same time efforts are being made to effect reconstruction with local material.

14. TOBACCO INDUSTRY

An element of doubt has crept in as to whether the supplies of special paper for cigarette manufacture will continue to arrive. The existing indents have been fulfilled and unless the new indents arrive in U.S. in time there is likely to be a lapse in production, for the works have only sufficient stocks to last until the end of April. To cover this interim period a supplementary indent for two months' supply was submitted to the Economic Section with the request that this should be telegraphed, for prompt action in order to keep supplies going until the new requisition became operative. It was not deemed necessary to pass this request forward, it being considered that the new requisition would arrive in time.

15. NICOTINE INSECTICIDES

Efforts are being pushed forward for the production of insecticides in the form of tobacco extract and nicotine sulphate. Supplies of coal, petroleum, caustic soda and sulphuric acid are being procured in order to start production.

16. RUBBER PRODUCTS

(a) Tyre Production.

Materials obtainable from local sources are being collected in an attempt to amass a complete stock for production in the Pirelli factory at Tivoli. Rubber and Chemicals requisitioned from Allied sources were due to arrive 1 March 1945 but tracer letters fail to reveal the exact status of the requisitions. Colonel Green, American FEA representative to the U.K., is giving all possible assistance in obtaining extruders to replace those requisi- [illegible] Material for test production with American

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13. SALT PROCESSING

The Salt Works at Saline di Volterra were heavily damaged by enemy action and rehabilitation for civilian food needs and for revenue is urgent. A complete schedule of requirements has been passed on to the Monopoli in order that they may consider this reconstruction and the possibility of sending forward a competent engineer to give his views and assistance thereon. At the same time efforts are being made to effect reconstruction with local material.

14. TOBACCO INDUSTRY

an element of doubt has crept in as to whether the supplies of special paper for cigarette manufacture will continue to arrive. The existing indents have been fulfilled and unless the new indents arrive in U.S. in time there is likely to be a lapse in production, for the works have only sufficient stocks to last until the end of April. To cover this interim period a supplementary indent for two months' supply was submitted to the Economic Section with the request that this should be telegraphed, for prompt action in order to keep supplies going until the new requisition became operative. It was not deemed necessary to pass this request forward, it being considered that the new requisition would arrive in time.

15. NICOTINE INSECTICIDES

Efforts are being pushed forward for the production of insecticides in the form of tobacco extract and nicotine sulphate. Supplies of coal, petroleum, caustic soda and sulphuric acid are being procured in order to start production.

16. RUBBER PRODUCTS

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All buildings and installations of the Pirelli factory at Tivoli will be completely reconstructed by end of May. Each inspection trip reveals rapid progress and that the factory personnel are anxious to resume pre-war operations.

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(b) General Rubber Articles.

Soles and heels, and general and technical articles, and light metal stamped articles could be produced in the Pirelli factory if coal could be obtained. The factory is repairing assault boats, float and bridge pontoons for the 5th Army Engineer Section.

(c) Reclaimed Rubber.

Production is steadily increasing. Collections of salvage are being made for production. A price of 15 to 25 lire per kilo was set by the Italian Government for salvage rubber.

(d) Tyre Repair

The situation is unchanged. The plants are ready but the material has not arrived.

It has been suggested that A.C. operate certain repair plants for maintenance of tyres used by A.C.

(e) Northern Italy.

The Rubber Industry of the Mediterranean Area centres around Milano (Pirelli) and Torino (Michelin). Their pre-war capacities were 4000 and 2700 tyres per day respectively. An inspection team is being established to survey these factories as soon as possible.

17. SULPHUR CONTROL

Supplies moved forward very satisfactorily on the Mainland during the month.

From the Cabernardi stock pile, during the period 26 February to 18 March a quantity of 1,543 tons has been shifted. Part of this has gone into the production of Carbon Bisulphide, but the major portion was sent to the grinding works at Civitavecchia, where it is being pulverised for agricultural purposes.

During the period 1 to 29 March 2,100 tons have been moved from the mines at Benevento and supplies to industry and agriculture are proceeding satisfactorily in the Southern Territory.

The major difficulty as far as the Mainland is concerned is the grinding of block sulphur so that it can be used as a dusting agent for agriculture. This has now been overcome to a considerable extent. S.A. Montecatini has been able to secure a Diesel engine for their Bellisio plant with the result that commencing on 1 April grinding will commence at the rate of 40 tons a day.

In view of this a new programme has been issued for the period 1 April to 31 May which will enable agriculture to obtain approximately 73 tons daily of ground sulphur.

1611

The Sicilian situation

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The Sicilian situation is still vague owing to the absence of definite news from that area. It transpires that shipments for agricultural purposes have been subjected to a hold-up owing to a last minute discovery that no bags were available for transporting the sulphur. It being known that sulphur tends to deteriorate when ground unless bagged at once grinding for export was held up. Immediate action was taken by this Sub-Commission and 100,000 bags were ordered forward to Catania. This should produce shipments during April to the advantage of agriculture in Sardinia and on the Mainland.

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18. MINING

(a) Sardinian Coal Production

Production data received from the Sardinian Regional Mining Division for February 1945 is as follows:-

		Metric Tons
Stock on hand 1 February previously reported	12,002	
Loss overestimated as determined by fresh survey of stock	813	
	11,189	11,189
Production February		38,392
Sales February		
Local (Sardinia)		7,608
Export		28,600
Stock on hand 28 February		13,373

The estimated production for March is 33,000 metric tons. Actual production and sales data is not yet available.

Production throughout February averaged approximately 1,600 metric tons of coal per day. There was no general flare up of labour difficulty, however, consistent under-current of labour agitation and dissatisfaction prevailed throughout the month.

The low estimated production for March is caused by the short general strike early in the month and the slow down strike which has been going on since 15 March. Production for the month will average less than 1,300 metric tons per day, or a loss of over 8,000 metric tons for the month.

The responsibility for labour recruiting and labour relationship now rests with the Italian Government as a result of Allied Commission's recent new deal for Italy. H.E. Gronchi, Italian Minister of Industry, Commerce and Labour stated that he has taken positive action regarding this matter and that results should be manifested within two months or less.

(b) Lignite Production, Italian Mainland.

The estimated production for March is 40,000 tons. It is estimated that in April a tonnage of 50,000 will be reached.

The greater part of the production still comes from four mines. With the easing of the power situation a number of additional mines have been put into maintenance basis and many of t

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The greater part of the production still comes from four mines. With the easing of the power situation a number of additional mines have been put onto maintenance basis and many of them are producing on a small scale. In all, 24 mines are either producing or are being rehabilitated in preparation for production.

During the coming summer sufficient xiloid lignite should be produced and stockpiled for drying to meet the winter demands for the dry product.

Ribolla mine should produce 6,500 tons in April and production should rise gradually to 12,000 tons per month commencing July. Additional labour is being transferred to this mine from the neighbouring pyrites mines owned by the same company.

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Buccinello mine, the lignite of which is similar to that of Ribolla, is on maintenance basis and should be in a position to produce 100 tons per day after one month and 150 tons per day after two months. The mine has a stockpile of 3,000 tons and, although a trucking distance to railhead of 33 Kms. is involved, it is suggested as a source of fuel for the Solvay plant, thus relieving Ribolla.

Thirty-two lignite mines were visited by officers of the Mining Division during the month. Of these mines many of which were visited for the first time, some are not to be considered as potential producers and many are suitable only for local domestic markets.

(c) Metal Mines, Sardinia.

Metal mines in Sardinia continued to be on a maintenance basis.

Arrangements for the continued production of pigments have been made. O.C. 40 Ord. Factory has arranged for military personnel to supervise shipments and to check that they are up to specifications.

One hundred tons of cassiterite which have been awaiting shipment since 20 September 1944 has been despatched to U.K.

(d) Mainland Metal Mines

Of the mercury mines, Abbadia San Salvatore is producing at about half the normal capacity and the Carpine-Siele mine is on maintenance basis. The latter can recommence production as soon as sufficient power is available.

Monte Valerio Tin mine can commence production as soon as power and supplies are available.

The pyrite mines of the Maremma district are badly in need of maintenance. The management estimates that Gavorrano, the principal pyrite mine, will take at least five months to de-water.

Applications for power have been made for the principal pyrite and mercury mines and for the tin mine.

(e) Sulphur Production, Sicily.

The production and shipping figures for Sicilian sulphur as given by the Regional Mining Division for February are as follows :

	Metric Tons
Stock 1 February	9,888
Production February	2,844
Shipped from mine, February	2,118
Stock 28 February	10,614

A price increase of 1,200 lire per ton has been agreed by the Ministry and by A.C. An immediate increase in production

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Further mines are having trouble with fires.

(f) Sulphur Production Italian Mainland.

Cabernardi mine is in receipt of power for maintenance.

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In anticipation of a long delay in reactivating local power lines the owners are installing diesel sets for the pumping of Formignano mine, for the operation on a reduced scale of Perticara mine and for the grinding plant at Bellisio where Cabernardi stocks can be pulverised for the agricultural market.

(g) MINING SUPPLIES

Expendable supplies (explosives and carbide) on hand and at the mines are adequate for several months operations at coal, lignite and sulphur mines. Stocks are not considered adequate for releasing supplies to less essential types of mining.

Some mining tools and machinery have been received this month, but very few urgently required maintenance supplies have arrived.

Serious losses of supplies have occurred in the Port of Naples and in transhipment during the month.

19. HEMP PRODUCTION

At the last meeting of the Miscellaneous Purposes Committee it was decided to cease production of quintal sacks made by weavers other than Jutificio Napolitana and Terni. This should result in the saving of about 160 tons of hemp for other purposes and assist in prolonging the working time of factories until the new crop is brought in.

To compensate for the sack shortage every effort will be made to step up production in Jutificio Napolitana by increasing the supply of low grade material and in two months it is hoped to bring their production up to 140,000 sacks monthly. In addition arrangements are being made to send down all available green hemp for the use of Jutificio Terni whose production it is hoped to increase to 40,000 monthly and when Jutificio Ravennata is working a regular production of a further 25 to 30,000 more sacks will become available.

Supplies of imported seed have arrived but almost too late for planting however distribution was proceeded with immediately and it is hoped that the greater portion will be sown.

The ship carrying the first 5,000 tons fertiliser for hemp missed the convoy, and thus arrived too late for spreading before the sowing season.

It is impossible to say yet what portion of the 20,000 Hectares aimed at for the Naples Province has actually been planted in hemp but every possible factor to discourage planting seemed to occur, late arrival of seed and fertiliser and late publication of next season's prices being the three main factors.

At the most 1,000 hectares is expected to be planted in Cesena - Forli and Ascoli Piceno areas for the same reasons as at Naples with the additional difficulty in transporting fertiliser into Army Area.

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There is a good prospect of obtaining Electric Power for certain plants in Ravenna in which case the Jutificio Ravennata will go into sack production of green hemp and the Saccheria Ravennata will be able to produce hemp belting of the Balata type which should meet a very vital need of the civilian factories and military. First production prospects are about 100 metres a day.

Representations have been received from the Naples area for an increased payment on production costs and these are now being examined by the Consorzio Nazionale Canapa. Increases requested range from about 90% to 180% and are due chiefly to the high cost of finding suitable materials for up-keep and repair and the authorised increases in wages and bonuses. A serious position

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will arise if manufacturing costs mount to a level at which the Armed Forces will find it more economical to send the raw material out of Italy for manufacture than to have it made up in the country.

Southern Region reports that Hemp brought into the pools for the 4 weeks under review amounted to 900 tons, being a further decrease of 150 tons compared to the February report.

In view of the anticipated shortage of raw material and in order to conserve material for the essential needs of the Allied Forces, as instructed by A.F.L.R.S., production will be curtailed as from 2 April 1945. The chief object in view being to produce the amount of rope and heavy canvas and twine that are essential for the military needs.

Both spinning and weaving mills will be affected and a certain amount of lack of employment will result, but this is considered preferable to coming to a full stop in two or three months' time.

From all accounts the black market in hemp in Southern Region is continually on the increase. No allied personnel have so far arrived from Rome and it would appear unlikely that they will now be detailed, in view of the departure of Southern Region. Though the matter would now appear to be entirely an Italian responsibility, this office wishes to again stress the fact that the means and methods so far adopted to combat this contraband are entirely inadequate.

Black Market in many other products in the South of Italy has become the only real market. Once this stage is reached it becomes very difficult to get the product back into normal channels. If Hemp is to be effectually controlled, not only must the raw material and finished article be controlled but the serious leakage now taking place, must also be stopped.

During the month the Italian Finance Guards in Southern Region confiscated 22 quintals of hemp in 20 police operations, Consorzio Canapa officials and Italian police confiscated a further 52 quintals in 16 police operations.

No Sardinian coal has been delivered to the Southern Region plants during the month. As the factories are running 75% on Sardinian coal the position is precarious.

20. CEMENT PRODUCTION

Steady progress has been made during the month in increasing production throughout the plants, but results will not show until the month of May.

The plant belonging to S.A. Calce e Cementi di Segni, Colleferro, continues to increase production and 4,000 tons is expected to be manufactured during the month of April. Transportation bids have been submitted for 100 tons per week of Pulverised Coke ex Naples Gas Works. Coal and Lignite are now coming in more regularly.

Production of S.A. Cementerie di Caidonia has not yet started, but

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Production at S.A. Cementeria di Guidonia has not yet started, but there is sufficient coal and lignite at the plant to produce at least 2000 tons of cement. The only problem at this plant is electric power; this matter is now in hand and Public Works and Utilities Sub-Commission have stated that the transformers will be ready by the 15 April at the latest. As soon as this is completed, it is estimated that 1,000 tons of cement will be available for the second half of April. 1009

Soc. Italcementi Monopoli has started production and 1,500 tons is expected to be made during April. This should be increased in May. Stocks of

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raw materials are sufficient to produce 2,500 tons.

Soc. Cementeria dell'Ionio, Taranto, have stocks of all materials to commence operations. Production for April estimated at 400 tons.

Soc. Ilva, Bagnoli, stopped production due, inter alia, to lack of electric power but this concern have promised during the month of April 2,000 tons of second grade cement.

Vibo Valentia. - This plant is ready to produce now and rail bids for 100 tons of Pulverised Coke ex Naples Gas Works have been submitted to Transportation Sub-Commission. No cement is expected to be produced during April.

The Barletta plant is now a military responsibility and it is hoped that a satisfactory output will result.

Energetic action has been taken during the month to step up production of cement. Lack of transportation for raw materials and fuel, short supplies of coal and electric power are limiting factors.

21. STEEL PRODUCTION

Bagnoli coke ovens and blast furnaces will be dealt with in a later report of an inspection visit by an officer of this Sub-Commission. This owing to pressure of work has been held up.

Ilva Plant at S. Giovanni Valdarno - Production at these works has been delayed due to lack of motors. These are being transferred from Piombino and bids have been submitted to Transportation Sub-Commission, who have the matter in hand.

The Ministry of Industry, Commerce and Labour have been notified that 700 tons of steel are available for the month of April from stocks at Terni and their disposal instructions are awaited.

22. COAL DISTRIBUTION

A meeting with representatives of A.F.H.Q. on the division of responsibilities for the handling of coal between A.F.H.Q. and A.C., took place during the month, at which an agreement was reached in the terms of an Administrative letter which was later issued by A.F.H.Q. The approximate effect was that to transfer the handling of all coal and lignite except that required for military purposes, to the Allied Commission as from 1 April 1945. A.F.H.Q. continues to procure and arrange for the importation of all coal from outside the theatre and, subject to availability, shipping allocation and port capacity, will requisition the requirements of A.C. of imported coal for civilian purposes.

During the month the Ministry of Industry, Commerce and Labour issued a circular inviting coal importers and wholesale merchants to form themselves into groups and sub-groups, by areas, based on the port of discharge, for the distribution of the coal through trade channels. It is understood that meetings have taken place in Rome, Naples, Bari and Sicily but by the end of the month no positive agreement had been reached except in Bari. It is hoped that April

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The withdrawal of A.C. personnel from the South and particularly from Sicily threw fresh burdens upon the Italian Government and many of the problems involved had not been solved by the end of the month. The local machinery of the Italian Government in Sicily has, unfortunately, not started to function, and in particular the lack of information from the ports as to stocks and consumption has caused great confusion. Unless soon remedied by the Government, the state of affairs is bound to affect the flow of imports.

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The port of Piombino was reported ready to receive coal-laden steamers to 28 ft. draft and a vessel containing Sardinian coal arrived towards the end of the month. The greater part of the cargo was destined for the Solvay Co.'s important works at Rosignano, which it is hoped, will be restarted on 1 May.

23. CAUSTIC SODA, SODIUM CARBONATE

As already pointed out in previous reports, the Soda Solvay Rosignano plant has been ready for operation since 15 February. The only factor preventing the start of operation is lack of coal. It is realised that the coal situation is very difficult and strikes in Sardinia contribute further complications. Efforts are being made by all parties concerned to overcome the coal problem. The matter is being dealt with on the highest levels (reference is made to recent correspondence between the Chief Commissioner and General Magruder, Assistant Chief of Staff, G-4 Section; as well as between the Chief Quartermaster, A.F.H.Q. and A.F.H.Q. G-5 Section). The coal problem has been given the necessary attention by Industry Sub-Commission since the beginning of the reactivation work on the plant. On 6 November 1944 applications were forwarded by this Sub-Commission to A.F.H.Q. for a monthly coal allocation for the Solvay plant of 8,000 tons of coal and 1,500 tons of metallurgical coke, delivery beginning January 1945. A.F.H.Q. agreed to deliver the coke beginning in early May 1945, as well as to supply 15,000 tons of imported coal for May and June. On the basis of a report of a combustion expert, who investigated the Solvay plant on behalf of the Chief Quartermaster, A.F.H.Q., it was suggested that the Solvay plant be run on lignite only, without any addition of fuel of better quality. The present situation with regard to the start of production at the Solvay plant, is not very satisfactory, because of the uncertainty concerning the coke and coal deliveries. The hopes of A.F.H.Q. do not appear likely to be fulfilled according to schedule. Between the 25th and 31st March, A.F.H.Q. informed Industry Sub-Commission that :

a) It is not yet sure if coke will be delivered in early May.

b) It is not yet sure if the 15,000 tons of coal will be delivered according to schedule in May and June. With regard to the use of lignite (Ribolla or Baccinello quality), it must be pointed out that this matter is a technical one. On the basis of previous experience at the Solvay plant, where endeavours have been made to replace coal by lignite, it is doubtful whether the thermal balance of the Solvay process could be assured by using lignite only.. (It is probable that lignite could be used to a certain extent only, approximately 50%). The combustion expert from A.F.H.Q. and Industry Sub-Commission conferred on this subject and the flow-diagram of the Solvay process was explained . From this it appeared that it was not certain that steam generated at the Rosignano plant could be super-heated to the required temperature of 430° by using Ribolla lignite only. A decision can be arrived at only by making a test at the Rosignano plant. This in accordance with a suggestion by Q.M., A.F.H.Q. and this Sub-Commission. Arrangements have been made to make the tests at the Solvay plant in early April. In the meantime, beginning 26 March, delivery of lignite to Rosignano started at the rate of 70 tons per day which should be increased by 10 April to 130 tons per day. It is realised that this amount is very small in comparison with requirements.

The market situation of caustic soda and sodium carbonate is worsening from day to day and is paralysing the whole of the chemical industry in Libera

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The matter is being dealt with on the highest [illegible] made to recent correspondence between the Chief Commissioner and General Magruder, Assistant Chief of Staff, G-4 Section; as well as between the Chief Quartermaster, A.F.H.Q. and A.F.H.Q. G-5 Section). The coal problem has been given the necessary attention by Industry Sub-Commission since the beginning of the reactivation work on the plant. On 6 November 1944 applications were forwarded by this Sub-Commission to A.F.H.Q. for a monthly coal allocation for the Solvay plant of 8,000 tons of coal and 1,500 tons of metallurgical coke, delivery beginning January 1945. A.F.H.Q. agreed to deliver the coke beginning in early May 1945, as well as to supply 15,000 tons of imported coal for May and June. On the basis of a report of a combustion expert, who investigated the Solvay plant on behalf of the Chief Quartermaster, A.F.H.Q., it was suggested that the Solvay plant be run on lignite only, without any addition of fuel of better quality. The present situation with regard to the start of production at the Solvay plant, is not very satisfactory, because of the uncertainty concerning the coke and coal deliveries. The hopes of A.F.H.Q. do not appear likely to be fulfilled according to schedule. Between the 25th and 31st March, A.F.H.Q. informed Industry Sub-Commission that :

a) It is not yet sure if coke will be delivered in early May.

b) It is not yet sure if the 15,000 tons of coal will be delivered according to schedule in May and June. With regard to the use of lignite (Ribella or Baccinello quality), it must be pointed out that this matter is a technical one. On the basis of previous experience at the Solvay plant, where endeavours have been made to replace coal by lignite, it is doubtful whether the thermal balance of the Solvay process could be assured by using lignite only. (It is probable that lignite could be used to a certain extent only, approximately 50%). The combustion expert from A.F.H.Q. and Industry Sub-Commission conferred on this subject and the flow-diagram of the Solvay process was explained . From this it appeared that it was not certain that steam generated at the Rosignano plant could be super-heated to the required temperature of 430° by using Ribolla lignite only. A decision can be arrived at only by making a test at the Rosignano plant. This in accordance with a suggestion by Q.M., A.F.H.Q. and this Sub-Commission. Arrangements have been made to make the tests at the Solvay plant in early April. In the meantime, beginning 26 March, delivery of lignite to Rosignano started at the rate of 70 tons per day which should be increased by 10 April to 130 tons per day. It is realised that this amount is very small in comparison with requirements.

The market situation of caustic soda and sodium carbonate is worsening from day to day and is paralysing the whole of the chemical industry in Liberated Italy with the exception of fertiliser production. Black Market price of caustic soda is approximately 800 lire per kg., (against the import price of 16 lire). Stocks of sodium carbonate (soda ash) have dropped to the dangerous level of only 180 tons. Glass production in Tuscany which was started two months ago, after overcoming many difficulties (present production 2,000 sq. m. window glass per day, plus thousands of glasses and bottles for the Army) will be brought to a standstill in May due to lack of sodium carbonate, if the Solvay plant does not start production in the meantime. In accordance with the new

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policy of release of control of industries in territory under the jurisdiction of the Italian Government, and the handing over of import supplies to them through I. C. E., 2046 tons of caustic soda have been handed over to the Ministry of Industry, Commerce and Labour on condition that allocations will be made according to the priorities indicated by this Sub-Commission. The Ministry has agreed to this arrangement.

24. CHLORINE PRODUCTION

The first plant producing chlorine and derivates, plus a limited quantity of caustic soda - the Aniene plant in Rome - has been reactivated. Present production of chlorine - 40 tons per month. Present production of caustic soda - 30 tons per month. The quantity of chlorine is sufficient to cover the present requirements for the whole of Liberated Italy for sterilisation of water. This problem was the cause of great concern from the point of view of public health in view of the fact that chlorine supplies from small existing stocks were nearly exhausted and the warm weather approaching. (On the day of the start of production at the Aniene plant, approximately 5 tons of chlorine, only, were available in the whole of Liberated Italy). Characteristic consequence of the reactivation of the above plant is that two days after the production was started, the price of hypo-chloride solutions (bleaching solutions) which used to be sold in the black market at 120 lire per kg. dropped to 30 lire per kg. Prices are still dropping slowly and it is hoped that they will soon reach the economic price of 10 lire per kg.

25. ALUM PRODUCTION

The first plant producing alum has been started in Castellina in Chianti (province of Siena). Many difficulties have been overcome, i.e. it was necessary to combine the activities of two neighbouring companies under differing managements, one of which produces sulphuric acid and the other alum, by utilising the sulphuric acid and leucite (ore containing aluminium oxide). The following steps were taken:

a) It was necessary to reactivate the sulphuric acid plant.

b) Arrangements were made for the supply and transportation of nitric acid from stock available in a third plant in Carmignano (Florence province).

c) Arrangements for allocation of electric power for both plants have been made.

d) Arrangements for movements in the Army Area were made.

e) Arrangements for adaptation of equipment between both the sulphuric acid and the alum plants have been made.

The production of alum is of great importance to the paper industry as well as for clearing and filtering of water. Alum was a black market item and undoubtedly the present production will influence the market with the result that shortly the price will drop to a normal level.

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caustic soda - 30 tons per month. The quantity of chlorine is sufficient to cover the present requirements for the whole of Liberated Italy for sterilisation of water. This problem was the cause of great concern from the point of view of public health in view of the fact that chlorine supplies from small existing stocks were nearly exhausted and the warm weather approaching. (On the day of the start of production at the Aniene plant, approximately 5 tons of chlorine, only, were available in the whole of Liberated Italy). Characteristic consequence of the reactivation of the above plant is that two days after the production was started, the price of hypo-chloride solutions (bleaching solutions) which used to be sold in the black market at 120 lire per kg. dropped to 30 lire per kg. Prices are still dropping slowly and it is hoped that they will soon reach the economic price of 10 lire per kg.

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26. WOOLLEN PRODUCTION

It is reported that 150 firms operating 700 looms are now working in the Prato area by the use of improvised motive power. It will be seen that the average size of units is small, but the number of machines in operation is increasing as more generators are obtained. Average daily production is at present in the neighbourhood of 20,000 metres, a figure which could be doubled immediately and possibly trebled if electric power were available. The supply of this for April is however still in doubt.

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Mr. G. H. Meredith, Textile Machinery Expert, is at present surveying the plants in North Tuscany with a view to appreciating the requirements of the industry for spares and replacements and to advise on improvisations and substitutes. Reports on a number of firms have already been received from him, and on these action will be initiated as necessary.

27. COTTON PRODUCTION

Production of Cotton goods during the month has been as follows:

		Increase + or decrease - on preceeding month.
Sewing thread	7,750	
Yarn (all purposes)	125,048 kgs.	+ 14 %
Piece goods (grey)	816,658 mts.	+ 13 %
" " (dyed)	139,108 "	+ 13 %
" " (printed)	208,709 "	+ 10.5%
" " (bleached)	275,299 "	+ 12.5%

It is anticipated that the production of sewing thread by Cucirini Cantoni Coats will during the month of April be increased from the present 150 Kg. per day to about 600 Kg. Machinery capacity is equivalent to 1,800 Kgs. per day provided electric power and raw materials are available, and C.C.C. have already obtained supplies of the latter which, when transport has been arranged, would enable this rate to be maintained for 3-4 months. Meanwhile Industry Sub-Commission are endeavouring to obtain the necessary transport for them. At present control of these mills, and smaller rewinding and spooling mills dependent on C.C.C., has been vested in A.M.G. 5 Army with priority of military requirements, but with arrangements for production for civilian needs to proceed simultaneously. 50 tons of cotton supplied by Ord. (Br.) is to be converted into sewing thread for British Army use.

28. LEATHER PRODUCTION

The Italian Government sponsored scheme for the increased production of leather by making concessions to the tanners has so far failed to produce satisfactory results. The matter was ventilated at a meeting between Industry Sub-Commission and the Ministry of Industry and Commerce and attended by a representative of Commerce Sub-Commission, on 30 Mar., at which H.E. Gronchi explained that the delay in the implementation of the scheme was primarily due to transportation difficulties which had now been overcome, and that substantial production would commence in April.

29. SILK INDUSTRY

Seven silk mills in Forli province are being reactivated with the assistance and under the supervision of A.M.G. 8 Army and P.C. Forli, and it is expected that when repairs now being carried out are successfully concluded they will be in operation by July. Most of the spade work has already been completed and arrangements are being made for coccoons to be collected from local producers. These factories will find employment for more than 350 operatives in due course.

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SECTION III - PERSONNEL

The following changes in personnel occurred during March:

Major R.G. Reid has been released from duty this HQ and returned to proper station as Senior Industry Officer for Piemonte Region.

Captain T.H. Corwin has been released from Mining Division and assigned to Liguria Region for duty in Industrial Division.

Captain T.G. ELLIOTT of Building Materials Division has been assigned to Lombardia Region.

Lieutenant J.E.M. BURY has been assigned to Venezia Region.

Lieutenant K. Mc HOUL, Hemp Division, has been assigned to Lombardia Region.

Captain T.P. HUNTER has been released from Industry Sub-Commission and assigned to Piemonte for duty in Industrial Division.

The Mining Division has been fortunate in being visited by Mr. Edwin B. Eckel of the Office of the Chief Engineer ETOUSA. Mr. Eckel, who gained considerable experience of the mercury deposits of America while working with the U. S. Geological Survey, has made a study of the mercury mines of Tuscany. While staying in this theatre he has been attached to the Mining Division.

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