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Sept. 1, 1946 - Jan. 1947.

January 31, 1947

No. 55

ECONOMIC NOTES

Published Weekly in English and Italian

— Published by The Public Information Division, UNRRA Italian Mission, Via di San Nicolò da Tolentino, 78, Rome —

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2. Statistical Survey for November
3. Coffee Distribution
4. UNRRA and the Italian Rations
5. Movements of Ships

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UNRRA Supplies in 1947

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UNRRA supplies of refined P.O.L. products, due to arrive during the first quarter of 1947 are as follows:—

Gascline	175,000 barrels
Kerosene	77,250 ,,
Diesel Oil	264,200 ,,
Fuel Oil	600,000 ,,
Lubricating Oils and Greases	140,000 ,,

In addition, UNRRA will ship 1,100,000 barrels of crude oil—some to the refineries that have already been re-opened and are at work at Naples and Bari, and some to give the refineries at La Spezia and Porto Marghera a good start, when they re-open in March.

A Striking Comparison

During the 11 months of 1946 in which the UNRRA programme was in operation, Italy's supplies of P.O.L. were very much better than is generally appreciated. The table published below gives a striking comparison between consumption last year and pre-war consumption in the 12-months period ending 31 August, 1939.

From this table it will be seen that, in respect of kerosene, diesel oil and fuel oil, supplies were sufficient to permit consumption of over 90 per cent. of the pre-war figure.

Although the figures for gasoline are not, at first sight, so favourable, Italy's gasoline

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From this table it will be seen that, in respect of kerosene, diesel oil and fuel oil, supplies were sufficient to permit consumption of over 90 per cent. of the pre-war figure.

Although the figures for gasoline are not, at first sight, so favourable, Italy's gasoline supplies for essential needs were, in fact, very much better than total consumption figures indicate. For all purposes, including private motoring, Italy's consumption of gasoline in

Declassified E.O. 12356 Section 3.3/NND No. 765020
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1946 was approximately 53 per cent. that of pre-war. It must not be forgotten, however, that of the 3,500,000 barrels (approximately) consumed in 1939, not less than 2,000,000 barrels were for private motorists' use in cars and motor cycles; whereas, in 1946, legal consumption for this purpose was only 350,000 barrels, and was limited to essential services only.

The net consumption of gasoline by goods and public service passenger carrying vehicles was, in 1946, over 1,500,000 barrels—*more*, in fact, than it was in the pre-war 12-months period ending 31 August, 1939.

On the other hand, it must be remembered that, owing to the reduced carrying capacity of the railways (due to war damage and lack of rolling stock and fuel) abnormally heavy demands were made upon road transport.

Increasing Requirements

Changes in demand, due to the war, also affected the supply situation in regard to fuel oil. In comparing 1946 with 1939 (the figures for which do not include oil used for bunkering ships) account must be taken of factory conversion from coal to fuel oil owing to the shortage of coal, and the demands of the State Railways for fuel oil to operate the oil-burning locomotives imported by the Allies during the war.

As will be observed in the table, the combined import and production figures for fuel oil and also for diesel oil are, respectively, less than the year's consumption. This is due partly to the fact that UNRRA imports apply only to 11 months of the year, but partly also to the existence of stocks in the country when UNRRA took over in February, 1946.

At first glance, supplies of gasoline, imported and locally refined during 1946, appear to have been substantially in excess of actual consumption. In fact, stocks in hand at the end of the year represented no more than about 60 days' supply. This is the barest margin of safety. Pre-war, Italy normally operated with a five months' supply in hand.

Storage Problems

UNRRA's crude oil imports, namely 900,863 barrels, had by the end of the year been partly refined into 95,000 barrels of gasoline, 42,000 barrels of kerosene, 119,000 barrels of diesel oil, 90,000 barrels of fuel oil (as shown in column 2).

But these production figures clearly indicate that large stocks had still to be refined at the end of the year—in addition to the 1,100,000 barrels of crude oil, which (as stated above) had still to be imported by UNRRA.

It was not possible to begin oil refining at Bari and Naples until very late in the year. Some weeks still must elapse before the works at La Spezia and Porto Marghera are ready to start.

At Naples, La Spezia and Porto Marghera, the refineries suffered heavy damage during the war, since they were a target of prime importance for Allied bombing. In addition, there has been the problem of securing adequate storage at ocean terminals, since these installations, too, suffered heavily from bombing.

Storage has throughout been one of the biggest problems confronting C.I.P. (Comitato Italiano Petroli), the Italian official organization which has administered P.O.L. civilian supplies since the Allied landings three years ago.

Not only were tanks destroyed at the ports, but also at inland distribution centres where,

Continued on page 6

	UNRRA-imported quantities for 11 months in 1946	Two months production from imported crude	Consumption in 1946 (12 months)	Consumption year ending 31 August 1939	Percentage consumption in 1946 Against 1939
	BARRELS	BARRELS	BARRELS	BARRELS	PER CENT.
Gasoline	1,858,875	95,000	1,837,441	3,488,745	52,67
Kerosene	1,073,965	42,000	1,198,013	1,330,843	90
Diesel Oil	1,726,322	119,000	1,094,410	2,256,579	92,81

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Kerosene	1,073,965	42,000	1,198,015	1,330,843	90
Diesel Oil	1,726,322	119,000	1,994,410	2,256,579	92.81
Fuel Oil	5,878,841	90,000	6,081,905	6,600,000	92.15
Crude Oil	900,863	—	—	—	—

Note: Figures in barrels of 42 United States gallons, equal to 35 imperial gallons or 159 litres.

Declassified E.O. 12356 Section 3.3/NND No. 785020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(19 - 25 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Nira Luckenbach	Venice	20 January	UNRRA	General	1,555
Cervino	Genoa	» »	It. Government	Minerals	7,300
Adjutant	»	21 »	UNRRA	General	646
Burbank Victory	Naples	» »	»	»	266
George Davis	Genoa	22 »	»	Cereals	7,350
Julius Olsen	Bari	» »	»	General	2,982
John Jay	Naples	23 »	»	Cereals	8,317
George Steers	Venice	» »	»	»	8,500
Bluefield Victory	»	» »	»	General	194
Thomas Heyward	Palermo	» »	»	Cereals	8,143
Merkland	Genoa	24 »	»	General	122
Maria C.	Civitavecchia	» »	»	Cereals	9,062
Apollo	Venice	» »	It. Government	Minerals	5,200
Ulisse	Ancona	» »	» »	»	3,200
Scotland	Genoa	25 »	UNRRA	General	937
				Total tonnage	63,774

LATEST COAL SHIPMENTS

(20 - 24 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
F. Scott Fitzgerald	Bari	20 January	United States	UNRRA	8,434
Giacomo C.	Piombino	21 »	» »	»	6,399
Voluntas	Civitavecchia	» »	» »	»	7,327
Radmar	Savona	22 »	Germany		5,648
Henry Wilson	Naples	» »	United States	»	8,132
Montello	Genoa	23 »	» »	»	9,101
[illegible]	Savona	24 »	» »	»	9,346

0886
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Declassified E.O. 12356 Section 3.3/NND No. 785020

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William Byrd	Savona	24 »	» »	»	9,346
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0889
Declassified E.O. 12356 Section 3.3/NND No. 785020

STATISTICAL SURVEY — NOVEMBER, 1946

Description	Unit of Measurement	1945 March	1945 June	1945 Sept.	1945 Nov.	1946 March	1946 June	1946 Sept.	1946 Nov.
CURRENCY, PRICES									
Currency circulation	1938 = 100	1,719	1,815	1,788	1,816	1,881	1,932	2,111	2,236
Current accounts and deposits (1)	»	—	—	—	—	554	615	692	(8)
Fine gold price (open market)	»	1,154	3,527	3,581	3,402	2,169	2,673	3,642	3,881
Dollar:									
Legal rates-Official	»	526	526	526	526	526	526	526	526
-Commercial	»	—	—	—	—	1,184	1,184	1,184	1,184
-Export	»	—	—	—	—	—	1,984	3,132	2,974
Black Market	»	2,168	1,532	1,752	1,942	1,600	1,926	2,616	2,942
Share prices (Milan)	»	736	673	508	584	345	586	786	1,059
Wholesale prices (Florence)	»	3,303	3,392	3,604	3,718	3,184	2,965	3,209	3,999
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,199	1,798	2,388	2,430	2,584	2,607	2,802	3,427
» » » Food	»	2,188	2,408	2,987	3,196	3,467	3,492	3,406	4,177
Wages in Milan:									
Unskilled workers	»	498	606	1,347	1,439	1,566	1,880	2,101	2,846
Skilled labour	»	423	498	1,033	1,093	1,182	1,410	1,579	2,134
Technical officials	»	298	324	588	598	784	892	974	1,324
Unemployed registered	Thousands	—	—	—	—	1,335	1,531	1,858	1,997
PRODUCTION									
Pig iron (2)	1938 = 100	—	—	—	—	4	32	46	14 (7)
Steel (2)	»	—	—	—	—	36	52	65	55 (7)
Rolled steel (2)	»	—	—	—	—	40	49	62	69 (7)
Cotton thread (2)	»	3	3	5	14	41	88	65	70 (7)
Artificial textile fibres	»	1	3	4	6	11	32	55	62
Mechanical - Fiat Co.	»	9	32	43	51	48	57	65	(8)
Chemical - Montecatini Co.	»	11	10	15	18	35	55	71	61
Electric power (3)	»	77	71	89	107	102	108	112	113
FOREIGN TRADE (4)									
Exports	Dols. (000)	—	—	—	—	28,129	85,424	167,656	242,808
Imports (5)	» »	—	—	—	—	158,852	376,302	657,361	842,283
Cereal imports (5)	Tons (000)	282	785	1,053	1,299	663	1,139	1,439	1,484
Coal imports (UNRRA) (5)	» »	—	—	—	—	1,345	2,627	4,102	5,135
POL imports (UNRRA) (6)	» »	—	—	—	—	283	636	1,175	1,435
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	15,268	18,207	19,000	19,138	26,211	26,505
Goods	Tons (000)	—	—	2,053	2,192	2,950	2,476	2,963	(8)

(1) Including Post Office Saving deposits (figures published in October Survey did not include these).
(2) Production: Indices of production are still subject to a margin of error (see also ECONOMIC NOTES No. 45, of 22 November). Figures for North Italy only for November, 1946 (1938=100) are: Pig iron 18, Steel 56, Rolled steel 71.
(3) Calculated on the basis of comparable cumulative figures.
(4) Foreign Trade: Figures are cumulative, beginning 1 January. Present statistics on exports and imports are subject to a large but unknown error. The tonnage import figures are uncertain because it is known that UNRRA imports were not completely recorded in official figures. Value figures are additionally uncertain because of unreliable valuations and inconsistent conversion from foreign currencies to lire. In these figures, the import dollar was taken as equal to 100 lire, the export to 225 lire. The figures can be used only as a very rough index; they are under study and a more definite evaluation is being prepared.

0890 Declassified E.O. 12356 Section 3.3/NND No. 785020

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Dollar:									
Legal rates-Official	»	526	526	526	526	526	526	526	526
-Commercial	»	—	—	—	—	1,184	1,184	1,184	1,184
-Export	»	—	—	—	—	—	1,984	3,132	2,974
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Artificial textile fibres	»	1	3	4	6	11	32	55	62
Mechanical - Fiat Co.	»	9	32	43	51	48	57	65	(8)
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(5) Cumulative, including UNRRA.
(6) These figures (which are cumulative) exceed official Italian figures, and attention has been drawn to the discrepancy.
(7) Provisional.
(8) Not available.

NOTE: Population 1936 Census, 42,993,602. Estimated 1946, 46,000,000.

0891
Declassified E.O. 12356 Section 3.3/NND No. 785020

STATISTICAL SURVEY FOR NOVEMBER

The statement on economic conditions in Italy up to the end of November, 1946, published in this issue, has been prepared from information supplied by the Central Institute of Statistics in Rome, the Bank of Italy, the Italian State Railways and other official and authoritative sources.

The State revenue in November was 25,202 million lire as compared with 22,536 million in October. No figures are available of State expenditure in October and November. The latest figures are July 47,818.4 million lire (revenue 16,954.5), August 48,301.1 (revenue 18,804.9) and September 77,013.9 (revenue 19,305.9). The note circulation in November was 465,300 million lire (including Bank of Italy, A.M. lire and State notes) as compared with October, 452,800 million, and September 439,300 million.

Provisional unemployment figures for November reflecting unemployed workers registered at Ministry of Labour Employment Exchanges showed an increase of 51,575 over the October figures. The total November figure is thus 1,997,600—of which 1,055,860 for industry—divided as follows: North, 1,082,160; Central, 292,860; South, 462,490; Islands, 160,090. Registered unemployed in Milan and Naples exceeded 100,000 each. Rome, Bologna, Genoa and Ferrara ranged between 50,000 and 100,000 each.

Rising Cost of Living

Cost of living (all items) in the five main Italian cities rose to 26 times 1938 in November, 1946, as compared with 23 times in September and 25 in October. Wholesale prices of foodstuffs in November, 1946, increased 40 times over 1938 as against 35 times in October. Raw materials (Milan figures) increased in cost on the open market by 11 per cent. in November over the previous month. Black market retail food prices increased over October by 23 per cent. for bread, 14.5 per cent. for pasta and 7.3 per cent. for sugar. The retail price of olive oil, however, fell by 9.4 per cent. Retail open market prices of butter, meat, potatoes and eggs increased by 17.8, 9.5, 26.5 and 15.7 per

Wages in November remained at about the October level.

Electric Power Shortage

The effects of the United States shipping strike (October) had scattered effects on industry as a whole; in some sectors production showed a further improvement in November, though shortage of electric power available for industry caused a reduction in the output of pig iron and electric furnace steel.

With larger arrivals of petroleum products, more oil has been available for fuel. The upward trend of textile production continued throughout the month.

The main item on the agricultural front was the increase to 6,125,000 metric tons of the estimate for the 1945-46 wheat crop. By 30 November, 2,179,000 tons, or 94.74 per cent. of the Government-estimated total of 2,300,000 tons, had been delivered to the ammassi.

Foreign Trade

Italian exports during November were higher, both in quality and quantity, than in any previous month of 1946. They amounted to 146,867 metric tons for a value of approximately 44,288,000 dollars (£11,072,000 sterling) (1). Imports dropped from 1,203,252 tons for a value of about 103,734,000 dollars (£25,933,500 sterling) in September, to 843,481 tons, for about 88,550,000 dollars (£22,137,000 sterling) in November.

Imports from 1 January to 30 November, 1946, amounted to 8,998,785 tons (UNRRA arrivals during that period were 7,092,347 tons) and exports to 910,786 tons. Average monthly imports in 1938 were 1,710,377 tons, and exports 287,486 tons. For comparative purposes, these pre-war figures exclude trade between the then Italian dependencies and countries other than Italy.

The statement on the opposite page shows, by quantity, the cumulative imports of cereals, coal and petroleum products. UNRRA arrivals up to 30 November, 1946, were 959,926 metric tons of cereals, 4,207,715 metric tons of coal and 1,435,425 metric tons of POL. The level of UNRRA imports was slightly higher

Declassified E.O. 12356 Section 3.3/NND No. 785020

information supplied by the Central Institute of Statistics in Rome, the Bank of Italy, the Italian State Railways and other official and authoritative sources.

The State revenue in November was 25,202 million lire as compared with 22,536 million in October. No figures are available of State expenditure in October and November. The latest figures are July 47,818.4 million lire (revenue 16,954.5), August 48,301.1 (revenue 18,804.9) and September 77,013.9 (revenue 19,305.9). The note circulation in November was 465,300 million lire (including Bank of Italy, A.M. lire and State notes) as compared with October, 452,800 million, and September 439,300 million.

Provisional unemployment figures for November reflecting unemployed workers registered at Ministry of Labour Employment Exchanges showed an increase of 51,575 over the October figures. The total November figure is thus 1,997,600—of which 1,055,860 for industry—divided as follows: North, 1,082,160; Central, 292,860; South, 462,490; Islands, 160,090. Registered unemployed in Milan and Naples exceeded 100,000 each. Rome, Bologna, Genoa and Ferrara ranged between 50,000 and 100,000 each.

Rising Cost of Living

Cost of living (all items) in the five main Italian cities rose to 26 times 1938 in November, 1946, as compared with 23 times in September and 25 in October. Wholesale prices of foodstuffs in November, 1946, increased 40 times over 1938 as against 35 times in October. Raw materials (Milan figures) increased in cost on the open market by 11 per cent. in November over the previous month. Black market retail food prices increased over October by 23 per cent. for bread, 14.5 per cent. for pasta and 7.3 per cent. for sugar. The retail price of olive oil, however, fell by 9.4 per cent. Retail open market prices of butter, meat, potatoes and eggs increased by 17.8, 9.5, 26.5 and 15.7 per cent. respectively. Retail prices of textiles in Rome increased by 17 per cent. for linen and 29.7 per cent. for sheeting. Footwear increased by 2.3 per cent.

The effects of the United States shipping strike (October) had scattered effects on industry as a whole: in some sectors production showed a further improvement in November, though shortage of electric power available for industry caused a reduction in the output of pig iron and electric furnace steel.

With larger arrivals of petroleum products, more oil has been available for fuel. The upward trend of textile production continued throughout the month.

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(1) Value figures must not be taken as exact; their purpose is to indicate the order of magnitude.

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Declassified E.O. 12356 Section 3.3/NND No. 765020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(19 - 25 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Nira Luckenbach	Venice	20 January	UNRRA	General	1,555
Cervino	Genoa	» »	It. Government	Minerals	7,300
Adjutant	»	21 »	UNRRA	General	646
Burbank Victory	Naples	» »	»	»	266
George Davis	Genoa	22 »	»	Cereals	7,350
Julius Olsen	Bari	» »	»	General	2,982
John Jay	Naples	23 »	»	Cereals	8,317
George Steers	Venice	» »	»	»	8,500
Bluefield Victory	»	» »	»	General	194
Thomas Heyward	Palermo	» »	»	Cereals	8,143
Merkland	Genoa	24 »	»	General	122
Maria C.	Civitavecchia	» »	»	Cereals	9,062
Apollo	Venice	» »	It. Government	Minerals	5,200
Ulisse	Ancona	» »	» »	»	3,200
Scotland	Genoa	25 »	UNRRA	General	937
				Total tonnage	63,774

LATEST COAL SHIPMENTS

(20 - 24 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
F. Scott Fitzgerald	Bari	20 January	United States	UNRRA	8,434
Giacomo C.	Piombino	21 »	» »	»	6,399
Voluntas	Civitavecchia	» »	» »	»	7,327
Radmar	Savona	22 »	Germany	986	5,648
Henry Wilson	Naples	» »	United States	»	8,132
Montello	Genoa	23 »	» »	»	9,101
[illegible]	[illegible]	24 »	[illegible]	»	9,346

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Declassified E.O. 12356 Section 3.3/NND No. 785020

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Henry Wilson	Naples	» »	United States	»	8,132
Montello	Genoa	23 »	» »	»	9,101
William Byrd	Savona	24 »	» »	»	9,346
				Total tonnage	54,387

0895
Declassified E.O. 12356 Section 3.3/NND No. 765020

Continued from page 2

ITALY' S PETROLEUM SUPPLIES

in addition to the damage resulting from the actual fighting, there was also heavy German sabotage as the enemy retreated northwards.

This lack of storage was further aggravated by the heavy damage to inland and coastal transport facilities, and the need for much uneconomic shuttling of supplies within the country. Thus, early last year, large stocks of diesel oil had to be stored at Taranto, because no facilities were at that time available in the North where it was chiefly in demand.

Much credit is due to C.I.P. for its success in maintaining distribution under very difficult circumstances.

In 1947, distribution should be substantially easier. Since the fighting ended, a very large amount of work has been done to repair storage installations throughout the country, transport facilities have been improved and—not least—many installations formerly required for Allied Military use have already been released, and others, it is anticipated, will be released in the course of the year.

COFFEE DISTRIBUTION

Every ration card holder throughout Italy will receive 100 grams of UNRRA-imported Brazilian coffee, with the forthcoming distribution of 4,580 tons of coffee beans.

The coffee, costing approximately 1,644,000 dollars exclusive of freight, forms part of the UNRRA Food Programme, and was delivered free of charge to the Italian Government for disposal through controlled channels.

By agreement between the High Commissioner for Food and the UNRRA Italian Mission, residual stocks left over from previous distribution were added to recent deliveries in order to make up a total quantity sufficient for nation-wide allocation.

The coffee will be distributed to all ration card holders, and the individual ration will be 100 grams. The price has been fixed, on the recommendation of the Joint Price Committee, at 250 lire per kilo, ex inter-communal warehouse, on retailer's vehicle.

UNRRA coffee imports now total 9,537 tons.

UNRRA AND THE ITALIAN RATIONS

A notable instance of Italian Government cooperation with UNRRA is the forthcoming appearance of a short statement in the Food Ration Card. This statement brings home to every Italian household the part which UNRRA is playing in the rehabilitation of the country.

The announcement, which will be printed on the new ration cards to be distributed during February, covering the period March to June 1947, is worded as follows:

"A portion of the foodstuffs distributed through the ration-card since the beginning of 1946 has been given free-of-cost to the Italian Government by UNRRA, a non-political, non-commercial organization, created by 48 United Nations to assist war-devastated countries. The proceeds from the sales of UNRRA-imported goods are utilized by the Italian Government for relief and rehabilitation."

Declassified E.O. 12356 Section 3.3/NND No. 765020

January 20, 1947 Vol. III, No. 40

ALLIED COMMISSION
WEEKLY BULLETIN

PUBLISHED BY PUBLIC RELATIONS BRANCH, HEADQUARTERS, ALLIED COMMISSION, APO 794

POLITICAL

While the visit of Prime Minister De Gasperi to the United States continued to be reported fully during the past week, the National Congress of the Socialist Party garnered most of the heavy-type headlines in the Italian press as the political maneuvering passed the bounds of a party split and threatened a first-class Government crisis. Although the shifting of the Socialist Party's center of gravity is undoubtedly of major importance in the Italian political scheme of things, a great deal of the space given to it was undoubtedly due to the fact that the events at Rome University lent themselves more easily to a high-pitched flamboyant type of reporting than De Gasperi's earnest pleading in America for understanding, food, and financial support.

Following his visit with President Truman, Secretary Byrnes and other officials in Washington the Prime Minister left the United States Capital to plead his cause in other American cities leaving his top-flight economic advisors to carry on the spade-work.

De Gasperi's Statements

In Chicago 10 January: "We have laid down our plans before American economic experts, showing the capacity of our factories. We told them: 'Furnish us with the monies to put them into operation and we will repay you through our own production'".

At the Cleveland Council for World Affairs: "The distinction between the victor and the vanquished must not be definitive and the peace treaties must be afforded the possibility of undergoing peaceful modification". Also at a press conference in the same city: "My greatest aspiration was to save Trieste for Italy. However the solution adopted for Trieste is absolutely provisional as what is not logical cannot last". The Prime Minister was also quoted by *Popolo* as saying:

SO LONG

In the general run-down of Allied Commission activities in anticipation of the signature of the peace treaty and the ultimate closing of the Commission, one of the first of the aforementioned activities to feel the axe is your *Weekly Bulletin*. In a word this is the last issue; after this there is no more.

Under a succession of very much harried editors, the *Bulletin* has attempted to chronicle the doings of the various Sub-Commissions, Divisions, Branches, etc. of the organization and at the same time give in capsule form a weekly review of the state of the nation. Whether or not the paper has succeeded in its mission is left for the readers to decide.

Be that as it may, the weekly emergence of the *Bulletin* would certainly not have been possible without the whole-hearted cooperation of all the men who make the wheels go round in the Commission. From the Chief Commissioner and the Executive Commissioner down through the entire organization everyone has been extremely cooperative and sympathetic with the necessity of making deadlines. Time has been taken up, conferences interrupted and after-hour telephone calls made and cheerfully accepted by all.

On behalf of all the previous editors of the *Bulletin* as well as for himself, your editor wishes to express sincere appreciation and heartfelt thanks to all who have in any way contributed to the publication of this weekly chronicle.

To our readers, we express the hope that the *Bulletin* has been useful and informative and we also beg your indulgence for the fact that due to intermittent transportation difficulties, the publication has reached your desks a little late on occasions.

985

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In New York City 12 January during a radio address to the Italian people: "Owing to the

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Declassified E.O. 12356 Section 3.3/NND No. 785020

swift rhythm of the journey I do not find enough time to make a detailed report to you on the favorable conclusions which are developing. I can tell you that the conversations and the contacts we have had with statesmen, businessmen and labor representatives have shown us that Italy has now celebrated her revival in the international world ".

De Gasperi returned to Washington on 14 January for another conference. Details of the meeting were not given out although it had been reported that one of the reasons for the unscheduled visit was the possibility of the Prime Minister's meeting the new Secretary of State George C. Marshall. The meeting did not take place since Marshall evidently did not arrive from China in time. De Gasperi left for Italy on 15 January.

Prime Minister De Gasperi arrived in Rome on the morning of 17 January. He was welcomed at Ciampino Airport by his family, Lt. Gen. John C. H. Lee, commanding general MTOUSA; Mr. David McK. Key, American Charge d'Affaires and Rear Admiral Ellery W. Stone Chief Commissioner, Allied Commission.

Results.

As to results – they were not long in being announced. Almost immediately after the Prime Minister's departure a press release from the State Department carried by the Associated Press declared the following: (*a*) the United States plans to increase its wheat shipments to Italy in February and if possible will also ship additional coal; (*b*) cancellation of Italy's debt for food and relief supplies furnished through military channels prior to UNNRA will shortly be discussed: (*c*) un-freezing of Italian assets in the United States will be discussed also; (*d*) a 100 million dollar fund has been earmarked by the American Export-Import Bank for Italian industry while the U. S. has diverted wheat-bearing shipments in mid-ocean to ward off hunger in Italy: (*e*) the United States considers the revival of trade between the two countries as most encouraging: (*f*) to improve trade conditions it has been agreed by the Italian Prime Minister and American officials that negotiations for a new commercial agreement should start as soon as possible; (*g*) this new treaty will replace the modus vivendi signed in 1938; (*h*) the United States Treasury has paid a second to the Italian Government: (*j*) Signor De Gasperi was assured by the United States Government of its continuing concern for the early restoration of Italian economy and of its desire to assist the Italian Government in its reconstruction work: (*k*) De Gasperi's visit emphasizes the determination of Italians to build a stable democratic nation " which will once again play an important role in a peaceful and prosperous world ".

Socialist Split.

Following the opening stormy session of the Socialist Party Congress events pursued their anticipated way. During the morning of 10 January Saragat walked out of a meeting of the Socialist Deputies to the Constituent Assembly when a motion calling for party unity and continued collaboration with the Communists was passed by a vote of 50 to 20. The same motion also included a recommendation for full party autonomy, but this deference to Saragat's feelings was not enough to placate the dissident leader.

The day's session at the Congress was fairly quiet although most papers reported that frantic negotiations were carried on throughout the day to win back the rebels. The Congress was apparently waiting Saragat's speech which was delivered the following day.

During the address, which was frequently interrupted by the tumultuous delegates, the leader of the dissidents declared that his action in leaving the party was forced upon him by the trend it had taken under its current leadership. Totalitarian methods, he said, had been introduced into the organization and it was necessary either to overlook them or react vigorously. He had chosen the latter course and further said that it had been necessary to denounce the state of affairs outside the party organs " as there was no other means of placing the true problem of the moment before the conscience of the Socialists ". The speaker called for the fostering of union between the middle class and the working class stating that only when this condition was satisfied could Democracy take great steps forward in Italy. " If we had a single chance in a thousand to render service to the working class by remaining in the old party we would do so ", he said.

The following day 12 January Saragat delivered another address, this time to the Congress of the dissident elements, which was being held at the Palazzo Barberini. In this talk, he recom-

Declassified E.O. 12356 Section 3.3/NND No. 765020

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The following day 12 January Saragat delivered another address, this time to the Congress of the dissident elements, which was being held at the Palazzo Barberini. In this talk, he recommended adoption of a "brotherly" attitude toward the Communists and stated that the new party would not be anti-communistic. He explained this apparent reversal of his thinking as

Declassified E.O. 12356 Section 3.3/NND No. 765020

follows: "So long as we were in the Italian Socialist Party of Proletarian Union, where we were obliged to fight for the autonomy of the party which was being sabotaged by the 'fusionists', we may have appeared to be against the United Action Pact, but had there been no 'fusionism' we should not have been obliged to insist upon autonomy. Now that we have achieved greater liberty of spirit insofar as the Communists are concerned we can face discussion with them in a really fraternal frame of mind".

Toward this statement Mario Montagana writing in *Unità* adopted a definitely suspicious attitude. Referring to Saragat's assurances of a "fraternal" attitude toward the communists the writer declared: "All this is excellent. All this may undoubtedly have a certain value. But we repeat that facts have a greater value. And the facts are as follows: (1) The birth of the new party threatens to cause a crisis in the Government, in the Trade Unions and in hundreds of municipal administrations, at a moment which is of very special difficulty in the life of the country; (2) the great majority of the new party or at least its leaders are well-known anti-communists; (3) All the reactionary press and all the reactionaries of the country without exception have greeted the split with joy and enthusiasm and expressed their sympathy with the dissidents and with Sig. Saragat in particular. These are the facts. In the face of these, all the words, all the promises and the undertakings of Sig. Saragat count very little".

Developments.

Events rapidly developed.

The dissident elements, now called the Socialist Party of Italian Workers, elected a 21 member executive committee on 13 January. The committee, which included both Saragat and Matteotti announced that the party would publish a newspaper *Umanità*. On the same day, Lelio Basso, later elected Secretary General of the other party now known as the Italian Socialist Party, delivered an address to the Congress in which he charged that Saragat had been encouraged by the United States and the Vatican to rupture the party.

The speaker also termed the timing of De Gasperi's visit to the United States "suspicious".

On 14 January Saragat handed in his resignation as President of the Constituent Assembly

Nenni felt it necessary to await De Gasperi's arrival in Rome in order to examine the political situation.

Talk of crisis was now flying fast and furiously in the Italian press. It was rumored that Nenni would definitely resign as Foreign Secretary although nothing was heard from Nenni himself on that point. On the other hand the new Socialist Party gave authority of its members to remain in the Government unless their withdrawal should be demanded by "other political forces".

Adding Up.

At the close of the two meetings there was much conjecture in the press as to the strength of the two parties. *Messaggero* had reported on 13 January that of the 114 Socialist Deputies in the Constituent Assembly 29 had gone over to Saragat, 19 had reserved decision for the time being while 66 were remaining faithful to Nenni's Party. On 18 January however *Giornale D'Italia* reported that Saragat's Party now had 43 Deputies. *Tempo* on the other hand took the moderate view that it was impossible to give an accurate estimate of relative strength at the present time.

While in general there seemed to be a backing and filling by all parties in an attempt to avoid crisis, many papers predicted that De Gasperi would be faced with one nevertheless upon his return. In addition to the Socialist problem, there are the demands of the Republican Party, presented at the time of his departure, and still waiting decision.

ECONOMIC FRONT

For the period 1 December 1946 to 12 January 1947 there was available 844,062 tons of wheat, the Economic Division reports this week. During this period there were consumed 477,515 tons leaving a balance of 366,547 tons which will meet requirements for 33 days provided it can be distributed to deficiency areas. There has been signalled to arrive prior to 1 February 51,390 tons of wheat.

On 11 January another 5,000 tons of wheat from A. M. G. stocks was loaned to the Italian Government. This amount will be available from a shipment of 8,416 tons due to arrive at Venice on 15 January. The balance from this shipment plus 8,000 tons of flour due to arrive at Trieste

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Declassified E.O. 12356 Section 3.3/NND No. 785020

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The dissident elements, now called the Socialist Party of Italian Workers, elected a 21 member executive committee on 13 January. The committee, which included both Saragat and Matteotti announced that the party would publish a newspaper *Umanità*. On the same day, Lelio Basso, later elected Secretary General of the other party now known as the Italian Socialist Party, delivered an address to the Congress in which he charged that Saragat had been encouraged by the United States and the Vatican to rupture the party.

The speaker also termed the timing of De Gasperi's visit to the United States "suspicious".

On 14 January Saragat handed in his resignation as President of the Constituent Assembly and the same day Nenni, in a letter to English Foreign Secretary Bevin handed to Sir Noel Charles, requested postponement of his scheduled trip to London. The letter reportedly stated that would definitely resign as Foreign Secretary although nothing was heard from Nenni himself on that point. On the other hand the new Socialist Party gave authority of its members to remain in the Government unless their withdrawal should be demanded by "other political forces".

Adding Up.

At the close of the two meetings there was much conjecture in the press as to the strength of the two parties. *Messaggero* had reported on 13 January that of the 114 Socialist Deputies in the Constituent Assembly 29 had gone over to Saragat. 19 had reserved decision for the time being while 66 were remaining faithful to Nenni's Party. On 18 January however *Giornale D'Italia* reported that Saragat's Party now had 43 Deputies. *Tempo* on the other hand took the moderate view that it was impossible to give an accurate estimate of relative strength at the present time.

While in general there seemed to be a backing and filling by all parties in an attempt to avoid crisis, many papers predicted that De Gasperi would be faced with one nevertheless upon his return. In addition to the Socialist problem, there are the demands of the Republican Party, presented at the time of his departure, and still waiting decision.

ECONOMIC FRONT

For the period 1 December 1946 to 12 January 1947 there was available 844,062 tons of wheat, the Economic Division reports this week. During this period there were consumed 477,515 tons leaving a balance of 366,547 tons which will meet requirements for 33 days provided it can be distributed to deficiency areas. There has been signalled to arrive prior to 1 February 51,390 tons of wheat.

On 11 January another 5,000 tons of wheat from A. M. G. stocks was loaned to the Italian Government. This amount will be available from a shipment of 8,416 tons due to arrive at Venice on 15 January. The balance from this shipment plus 8,009 tons of flour due to arrive at Trieste 16 January will support Udine and Venezia Giulia until 28 February. The 10,000 tons of wheat loaned will be repaid by the Italian Government,

0902
Declassified E.O. 12356 Section 3.3/NND No. 185020

as guaranteed by UNNRA, in the amount of 5,000 tons by 10 February and 5,000 tons by 22 February.

The High Commissioner of food reports very serious difficulties in supplying wheat and sugar to the Southern Provinces.

The High Commissioner of Food has issued a circular dated 7 January giving instructions on the distribution of pasta ration for January. This ration must be limited to rice and pasta and when possible the pasta component must be substituted with maize flour in the proportion of 500 grams of pasta qualing 700 grams maize flour.

Fuel.

Total availability of coal for January is estimated at 734,000 tons. 519,000 tons has been allocated for consumption during the month leaving a balance of 215,000 tons. This balance is 330,000 tons less than the estimate submitted last week. The reduced amount is caused by difficulties of getting coal to loading ports in the United States and to the freezing of waterways in Europe.

The P. O. L. stocks are estimated as follows. Motor gasoline 64 days, Diesel Oil 38, Kerosene 75 and Fuel Oil 42.

The price of Petroleum products will be increased shortly by 4 lire per litre in order to cover the wage increase granted to workers in the Petroleum industry which is retroactive to 1 October 1946.

Power.

The situation in Northern Italy has been temporarily aggravated due to freezing of streams and ice formation in the waterways supplying the hydro-electric plants.

The power supply to Central Italy has been further reduced from 600,000 KWH to 400,000 KWH per day.

There is no change of the water in storage in the Sila reservoirs.

DECORATIONS

Rear Admiral Ellery W. Stone, Chief Commissioner, Allied Commission, last week presented Medals of Freedom to Lt. Col. Guy G. Hannaford, Intelligence Corps; Lt. Col. W. Turner-Coles, Oxford and Bucks Regiment, and Eric W. Feldman, former civilian employee of Allied Commission, in a short ceremony conducted in his office. Lt. Col. Hannaford and Mr. Feldman received the decorations 17 January Friday, while Lt. Col. Turner-Coles' presentation took place Saturday morning 18 January. Both British Officers received the medals with Bronze Palms.

Lt. Col. Hannaford was a member of the Legal Section of Allied Military Government and later the legal Sub-Commission of Allied Commission. He played an important part in the reorganization of Italian Judicial System. Lt. Col. Turner-Coles received his decoration for the work he did as officer in charge of the collection, central storage and distribution of all available food at Salerno, Italy, immediately following combat operations. Award of the medal to Mr. Feldman was made for his work while assigned to Central Prosecution Office, AMG Naples and the Legal Section of the Livorno Liaison Office, AMG.

ODDS AND ENDS

Lt. Col. Lorenzo R. Holmes, legal division, left during the past week on a 30-day leave.

The following U. S. Army personnel left on Wednesday for reassignment to the ZI or separation from the service: Col. Harry M. Walker, economics division, Maj. Clayton C. Craig, regimental S-4 and G-4 Allied Commission, Capt. John P. MacNeil, motor transportation officer, and Capt. Thomas R. Swisher, Headquarters Company Commander. Maj. Raymond Wilson, AAF Sub-Commission left for the ZI Thursday. Capt. Dudak Langarak will replace Maj. Craig as S-4 and G-4.

Further transfers of U. S. personnel on Tuesday include: Maj. Robert E. Vollendorff, formerly of the Economic Division to Rome Area Allied Command. Capt. Lewis W. Gingery, M.M.I.A. to the post of Military Manager of the Excelsior Hotel. Tomorrow 1st Lt. Sidney L. Dane, Displaced Persons Division, will become assistant G-1 Rome Area Allied Command, and the day following 2nd Lt. Billy L. Rowland, Assistant Motor Transportation Officer, to Headquarters Service Company Rome Area Allied Command.

0903 Declassified E.O. 12356 Section 3.3/NND No. 765020

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0904
Declassified E.O. 12356 Section 3.3/NND No. 785020

December 30, 1946 Vol. III, No. 37

ALLIED COMMISSION

WEEKLY BULLETIN

PUBLISHED BY PUBLIC RELATIONS BRANCH, HEADQUARTERS, ALLIED COMMISSION, APO 794

NEW YEAR'S MESSAGE FROM THE CHIEF COMMISSIONER

Rear Admiral Ellery W. Stone, USNR, Chief Commissioner, Allied Commission, sends the following New Year's Message:

"To all personnel of the Allied Commission I send my warmest personal wishes for a happy and prosperous New Year with deep gratitude for the splendid service and support received from all hands during the past year".

POLITICAL

Rome newspapers last week took a two-day holiday in order to celebrate Christmas. The afternoon papers did not appear on 24 and 25 December while the morning papers were not published on 25 and 26 December. News therefore was rather thin particularly in the field of party politics. It seemed apparent that the various party leaders were witholding any significant announcements possibly because of the diminished publication.

Of great significance however was the prominence of coverage given the Catholic demonstration against anti-clericalism held in Piazza San Pietro on Sunday 22 December. Normally those papers which do publish Monday editions, limit themselves to accounts of various sporting events. The demonstration however was fully covered with many of the papers printing the full text of the address delivered by Pope Pius XII and also printing three and four column pictures of the throng.

To a crowd of Italian citizens variously estimated at from 200,000 to 500,000 the Pope declared among other things; "You are here to proclaim before Italy and the whole world the strong union which joins you with the See of Peter and with the Catholic traditions of our native city in a holy union which surpasses and defeats every obstacle and every threat, every test and every doubt. With sadness and indignation you see the sacred famers of divine things, worshippers of sensation to be stained by ignominy and covered with mud... From the Roman soil the first Peter who was surrounded by the threats of a perverted imperial power launched the first cry of alarm: 'Remain strong in your faith'. On this same soil we now repeat to you with doubled energy, that cry as your native city is now the theater of unceasing efforts aimed at reviving the fight between the two opposite fields; for Christ or against Christ; for his Church or against his Church..."

Anti-Clerical Press.

The mass-meeting was directly the result of an increasing fury of anti-clericalism which has characterized a certain portion of the Italian Press. A short time ago an edition of *Il Mercante* was seized by the police for printing alleged obscenities concerning the Pope and even while the Pontiff was speaking an edition of *Don Basilio* was announcing that provincial organizations were being formed and that these organizations had the objective of calling a national congress of anti-clerical supporters. It was suggested that a new political party might be the result.

Don Basilio is published by Ruggero Maccari who also publishes the anti-clerical *Il Pollo*. As publisher of the latter organ Maccari on 23 December was sentenced by a Roman Court to two years in jail for "publishing obscenity and insults against religion and the clergy".

Press comment on the address of the Pope was in many cases tied in with Maccari's sentence. *Avanti* employing a quotation from the Pontiff's address for a play on words headlined "Awake Roman citizens!... and the judges, suddenly awakened, have severely condemned the newspaper *Il Pollo*". *Unità* headed the story of Maccari's conviction with "Oil on the fire", and charged that the authorities have left undisturbed several papers which *Unità* considers fascist. *Italia Nuova* declared that the demonstration had "identified Italian civilization with Catholic civi-

983

Declassified E.O. 12356 Section 3.3/NND No. 785020

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983

Declassified E.O. 12356 Section 3.3/NND No. 785020

other advised believers in the Catholic faith not to deal with political issues with a dogmatic spirit, declaring that politics was not a mystic body like the church but a mundane affair.

Relations of Church and State were defined on 19 December when a Sub-Commission of the Constituent Assembly approved a proposed article which read: "The State and the Catholic Church are independent organs within their own spheres. Their relations are regulated by the Lateran Pacts. Any modification of them bi-laterally accepted, will not require a procedure of constitutional revision but will be submitted to normal procedure of ratification."

While the first sentence passed the committee without any serious disagreement, the same was not true of the other two. The Communists objected to the second sentence on grounds which included among others the fact that the Pacts had been concluded while the Fascists were in power. The Christian Democrats dismissed this argument as absurd. In the case of the third sentence the ultimate wording was evidently proposed by the Liberals as a compromise for the benefit of the Communists.

Prime Minister De Gasperi's Visit.

Aside from the splash created by the Catholic demonstration, news during the week was light and scattered as to origin. On 21 December *Messaggero* and other papers carried a dispatch originating from Washington to the effect that Prime Minister De Gasperi had been invited by the State Department to visit Washington. He will leave Italy on 3 January arriving in America on the fifth. It was expected that his visit would last about ten days during which the Prime Minister would definitely confer with Secretary of State Byrnes and possibly with President Truman. Italian Government circles declared that De Gasperi would concentrate on three topics during his conversations with American officials. These are a dollar loan, food, and the general United States attitude toward Italy after the signing of the Peace treaty. In connection with finances *Messaggero* reported on 21 December that "an authoritative spokesman of the State Department", had declared that United States reimbursement for lire furnished American troops in Italy should amount ultimately to 350 million dollars. The same day, *Popolo* reported from New York that Eng. Sacerdotti head of the Italian Financial Mission had [illegible] Minister Corbelli from Washington

De Gasperi's prospective trip caused a good deal of discussion in the Italian press. *Capitale* declared "De Gasperi's conversation will not change the dictated peace. The trip has a prevailingly financial goal." *Momento* headlined, "De Gasperi will discuss the dictated peace in relation with Italy's present situation". *Popolo* pointed out "The visit will coincide with the opening of Congress". *Italia Nuova* citing the uncertain political situation in Italy declared that it was up to De Gasperi "to clear all doubts in the minds of the American Government and to give it security as to Italy's democratic attitude". *Messaggero* typified the Italian press sentiment with the heading "A Beginning". Practically all the papers were optimistic.

It was announced by the Press Office of the Presidency of the Council of Ministers that Ambassador Tarchiani had suggested that Foreign Minister Nenni accompany the Prime Minister or himself visit the United States later on. Nenni chose the latter plan.

Admiral De Courten Resigns.

One incident during the week which aroused considerable interest and conjecture in the Italian press was the resignation of Admiral Raffaele De Courten as Italian Navy Chief or Staff. His resignation was generally credited by Italian newspapers as a protest against the fate of the Italian navy as pronounced by the Peace Treaty. While the future size of Italy's navy has been known for some time, the disposition of the various units of the fleet as presently constituted has been kept secret by the Council of Foreign Ministers. At least one paper *Giornale d'Italia* tied up the resignation with the arrival in Rome of Admiral Sir Algernon Willis of the British Navy, Commander in Chief, Mediterranean. It was erroneously claimed that Admiral Willis had come to discuss reports that the Italians would scuttle their fleet rather than turn it over to the victorious powers. On 21 December the Council of Ministers accepted the resignation and appointed Admiral Francesco Maugeri as Navy Chief of Staff. Admiral Maugeri is presently commander of the La Spezia Naval Base. *Avanti* declared: "De Courten leaves the Navy after having kept it on behalf of the Savoias." *Giornale della Sera:* "The Allies have not appreciated the Italian co-belligerance. De Courten resigns to protest the diktat".

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Declassified E.O. 12356 Section 3.3/NND No. 785020

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As to party politics the most significant event of the week was the threat of the Republican Party to withdraw from the Government if a nine-point program of economic and political reform were not immediately adopted. Although the Repu-

Declassified E.O. 12356 Section 3.3/NND No. 765020

blicans, one of the smaller parties, have only two members in the Government the threat was a new call to crisis inasmuch as some of the points presented were directly in contrast with the Government's present policy. For example one item was the immediate withdrawal of currency in circulation and the substitution of a new currency. Another was the merging of the Treasury and Finance Ministries. This had been a sore spot at the time of the resignation of Corbino as Minister of Treasury. Other demands voiced by the Party included the elimination of pro-Monarchist elements in the Ministry of Interior, the unification of the armed forces into a single ministry of defense and the elimination of useless Governmental agencies.

Rome was still without a mayor. On 23 December representatives of the various parties held another meeting to resolve the impasse that has prevented election of a mayor since the administrative elections of 10 November. This time it was proposed that the Liberals and Christian Democrats join the People's Block to form the administration. The Liberals however refused and now it looked as though a Commissioner might be appointed instead of a Mayor and that new administrative elections would be held six months after his appointment.

ECONOMIC FRONT

The Economic Division reported this week that the amount of wheat available during the period from 1 to 21 December was 722,904 tons. The consumption during the same period amounted to 242,682 tons leaving a balance on hand of 480,222 tons. This was sufficient to provide for requirements for 44 days providing the transportation was available to move the stocks. Shipments amounting to a total of 73,899 tons were already in transit or signalled to arrive up to 4 January 1947.

The SEPRAL of Rome has issued a provision according to which the bread ration for one day each week will be composed of 100 grams of bread and 200 grams of maize flour. This provision is effective from 1 January 1947. Similar provisions have already been adopted in some Northern provinces where part of the bread ration has been substituted with maize flour, considering 100 grams of bread equal to 100 grams of maize flour. In Rome the proportion of maize has been made higher (135-200) because the maize flour on hand

figure is based upon a total availability for the month of December of 755,000 tons and an estimated essential consumption of 100,000 tons.

The P. O. L. situation showed a marked improvement. Stocks on hand are estimated as follows: motor gasoline 53 days, diesel oil 38 days, kerosene 60 days and fuel oil 60 days.

As to power, no change is reported for Northern Italy. The Sila reservoirs in the South, however, now have a storage of approximately 40 million KWH as compared with 19 million KWH a week ago. A meeting of the Advisory Committee on Electric Power for Central and Southern Italy was held on 20 December. Additional hydro- and steam-generating units will be put into operation in January, thus relieving the situation which is still quite critical due to insufficient availability of water. It was estimated that, insofar as curtailment of power is concerned, no important change will take place in January with respect to the present situation.

ITALIAN TELEPHONE COMMUNICATIONS RISE FROM THE RUINS

Acceptance by the Italian Government of the overhead telephone lines and associated terminal equipment constructed by the Allied Military Forces in Italy provides the first expansion of the Italian long distance telephone system since the beginning of the war. These lines were constructed by the Allies as additions to the existing Italian long distance telephone cable system. The routes of the main lines approximately parallel the Italian cable system. Many other lines, spurs of the main lines, extend into remote regions where telephone service was not generally known before the war.

The acceptance of these lines comes after months of surveys and checks by Italian telephone engineers and consulting engineers. Lines costing six million dollars to construct are being sold to the Italian Government through surplus disposal agencies.

Agreements to purchase were preceded by use of the Allied constructed facilities in the Italian systems, as Italian civilian operation replaced Allied Military operation during recent months. The lines built by the Allies have been merged into the Italian state system to supplement existing crowded routes, and to replace other routes where war damage proved to be too great to justify rebuilding the state cable.

Declassified E.O. 12356 Section 3.3/NND No. 785020

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It was estimated that 355,000 tons of coal would be available as of 31 December. This

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Acceptance of these Allied open wire lines will be a minor part of the Italian plan for rebuilding the system destroyed by the war. Telephone

Declassified E.O. 12356 Section 3.3/NND No. 765020

service will be extended beyond that provided before the war. Plans under the Piano Quinquennale di Ricostruzione of the Italian Ministry of Posts and Telecommunications propose a vast expansion of the system.

Local Services Severely Damaged.

Almost all local telephone service is provided by five concessionary companies, so-called because the five companies are given the right to operate local telephone systems in five areas into which Italy is sub-divided for such service. Before the war there were approximately 480,000 telephone subscribers of the service provided by the five concessionary services.

At the end of 1940, of 7334 urban districts in Italy, 1759 were without telephone service. Urban districts with telephone service varied from 100 per cent. in Umbria, 90 per cent. in Emilia, Lombardy and Marche, 61 per cent. in Sicily, 51 per cent. in Calabria, 38 per cent. in Lucania, to 29 per cent. in Sardinia.

Damage of war to facilities of these five companies was enormous. Total damage estimated by the Ministry of Posts and Telecommunications is shown:

		Damage at Original Cost
STIPEL	L.	108,000,000
TELVE	»	56,000,000
TIMO	»	126,000,000
TETI	»	198,000,000
SET	»	116,000,000
TOTAL	L.	604,000,000

At present relative lira valuations, the cost of replacing this damaged equipment is estimated in the Piano di Ricostruzione Quinquennale at 9,060,000,000 lire. In addition, the buildings of the concessionary companies were damaged or destroyed to the extent of 72,000,000 lire at 1939 prices. The cost of this rebuilding is estimated at 3,920,000,000 lire at 1946 prices. Technical services and supplies incident to planning, procuring and construction of damaged services is estimated to cost 2,100,000,000 lire. Rebuilding war damaged equipment is planned to extend over a three year period.

Long Distance System Systematically Destroyed.

The Italian state owned long distance telephone networks and facilities were most severely damaged were systematically destroyed by the Germans as the Allied armies forced the enemy to the north. Everytime a main highway bridge was blown out, a section of telephone cable was destroyed. Some 250 such sections were destroyed between Palermo and Bologna. Eleven of fifty-four repeater stations were destroyed, five were dismantled and carried away, and many were damaged by shells and bombs.

Long distance state owned telephone equipment was damaged by war to the extent of 329,000,000 lire at 1939 costs. At present prices the estimated replacement cost is lire 1,935,000,000.

Buildings used for long distance telephone service are also used for postal and telegraphic services, and it is not possible to state how much building damage is chargeable against telephone costs. However total Posts and Telecommunication building damage is estimated at 124,000,000 lire at 1939 prices, and 2,480,000,000 at 1946 prices.

Plans prepared by the Ministry of Posts and Telecommunications for rebuilding the state owned telephone services call for expenditures over a three year period of:

1st year. . . .	L.	1,974,000,000
2d »	»	1,974,000,000
3d »	»	987,000,000

The agressive Ministry of Posts and Telecommunications, the managers and engineers of the state Azienda di Stato and the concessionary companies are planning to do more than repair war damage. Ambitious plans have been prepared for expansion and enlargement of the telephone system. Improved types of equipment will be installed. Range of communications will be increased. Services will be made available for more people.

Repair of war damage and expansion costs are estimated at a total of 61,395,000,000 lire. This total repair and expansion is planned for a five year period.

Total annual estimated expenditures at 1946 prices for telephone construction by the Italian Government and the concessionary companies are:

	Repair of War Damage Lire Millions	Expansion Lire Millions	Total Lire Millions
1st year . .	5,598	10,200	15,798
2d » . .	4,692	9,600	14,292
3d » . .	3,705	9,600	13,305
4th » . .	—	9,000	9,000

Declassified E.O. 12356 Section 3.3/NND No. 785020

expansion of the system.

Local Services Severely Damaged.

Almost all local telephone service is provided by five concessionary companies, so-called because the five companies are given the right to operate local telephone systems in five areas into which Italy is sub-divided for such service. Before the war there were approximately 180,000 telephone subscribers of the service provided by the five concessionary services.

At the end of 1940, of 7334 urban districts in Italy, 1759 were without telephone service. Urban districts with telephone service varied from 100 per cent. in Umbria, 90 per cent. in Emilia, Lombardy and Marche, 61 per cent. in Sicily, 51 per cent. in Calabria, 38 per cent. in Lucania, to 29 per cent. in Sardinia.

Damage of war to facilities of these five companies was enormous. Total damage estimated by the Ministry of Posts and Telecommunications is shown:

		Damage at Original Cost
STIPEL	L.	198,000,000
TELVE	"	56,000,000
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Long Distance System Systematically Destroyed.

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4th " . .	—	9,000	9,000
5th " . .	—	9,000	9,000
TOTAL . . .	13,995	47,400	61,395

0912
Declassified E.O. 12356 Section 3.3/NND No. 785020

This is exclusive of building construction which will approximate 6,922,000,000 lire.

Truly the Italian people plan to raise its telephone communication from ruins to the level of effective and efficient systems. Its best engineers are estimating and evaluating needs and manufacturing capacity. Communications experts from other countries are making independent analyses and recommendations. Availability of equipment for import has been determined.

Several factors remain to impede movement ahead. Undetermined are the effect on Italian economy of the peace terms, manufacturing capacity that may be used to fulfill the terms of reparations, and source of raw materials for use in Italian production.

These ambitious plans, aggressively executed, aided by natural resources of other nations will materially help restoration of normal life in Italy. Consummation of these plans may be a major step into the policy of abundance for the Italian way of life, supplanting any idea of scarcity that may have been a guiding but outmoded principle of the past when the major aids to a more abundant life were not available to many of the people.

ODDS AND ENDS

Major James P. Loewus, (A), recently joined the Allied Commission and has been assigned to Land Forces Sub-Commission.

Lt. Col. Albert Whipple Morse, (A), (Land Forces Sub-Commission) has left the Allied Commission to return to the United States for discharge.

Capt. J. Stopford, (B), has been promoted to the rank of Major.

982

Declassified E.O. 12356 Section 3.3/NND No. 785020

January 13, 1947 Vol. III, No. 39

ALLIED COMMISSION

WEEKLY BULLETIN

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POLITICAL

The most important news during the past week in Italy was that pertaining to the visit of Alcide De Gasperi, Italian Prime Minister, to the United States. Accompanied by various advisors particularly in the economic field the President of the Council of Ministers left Rome on 3 January and arrived in Washington on 5 January.

There was no conjecture about the purpose of the visit. De Gasperi himself in an interview with the press the day before he left reduced his mission to three fundamental points: (1) to create confidence in the new Italy among Americans, (2) to obtain some kind of a guarantee of minimum food shipments to Italy following the end of UNRRA and (3) to obtain an American Loan. The prime Minister further added that he would cite recent outbursts in Southern Italy as an instance of the great need Italy has of " wheat and dollars ".

The Italian Prime Minister's round of interviews and other official functions started on 6 January after a Sunday spent in touring the city of Washington. He was present at the session of Congress in which President Truman delivered his address on the State of the Union. The head of the Italian Government was roundly applauded by the members when introduced as a distinguished visitor. Following his appearance at the Congressional session he was besieged by members of the press for comments on the President's speech but refused on the grounds that he was merely a foreign visitor. He did, however, pronounce the foreign affairs part of the speech " very interesting ".

The same day De Gasperi was received by Secretary of State Byrnes with whom he had a half hour conversation. Details were not given out but the Prime Minister declared on leaving Byrnes office that it was " a great beginning ".

Congress. *Italia Nuova* headlined " A proof of exceptional cordiality – Congress acclaims De Gasperi with a great pro-Italian demonstration " *Momento* declared, " Our hopes in America are strengthened ". *Giornale d'Italia* looked beyond any practical results that might come from the visit. The paper pointed out in a " let's be sensible " manner that it would be a grave mistake to think that De Gasperi had gone to the United States to conclude economic negotiations in a few days. It would be equally mistaken, the paper observed, to regard his visit as implying the subservience of Italy to the United States. The paper emphasized the " moral significance of the journey ". It intimated that the Prime Minister's journey was destined to strengthen the ties of friendship between the two countries and to lay the future foundations of the negotiations which would subsequently be carried on through normal diplomatic channels. A decidedly political note was injected into the journalistic comment by Giannini who, writing in *Buonsenso* declared that De Gasperi's visit might bear interesting and immediate results only if he succeeded in making the most of Italy's position in the Mediterranean and the Adriatic.

Toast by Secretary Byrnes.

But the rose-colored comments led all the rest. On the night of 6 January De Gasperi was the guest of honor at a dinner given by Secretary of State Byrnes. In the course of the Affair Byrnes toasted the head of the Italian Government in a short speech during which he declared: " Our guest is confronted with extremists of Right and Left. His task is to reconcile them and to have his government agree to sign the peace treaty. The Italian Government must realize the Italian people must pay for the sins of a government that is gone. The people being what they are, it is hard to realize the justice of this. It calls for a great man of courage. In

951

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Italian newspapers were generally optimistic and enthusiastic in their treatment of the Prime Minister's stay in Washington. Much emphasis was laid upon his reception by the American Congress. *Italia Nuova* headlined "A proof of exceptional cordiality – Congress acclaims De Gasperi with a great pro-Italian demonstration" *Momento* declared, "Our hopes in America are strengthened". *Giornale d'Italia* looked beyond any practical results that might come from the visit. The paper pointed out in a "let's be sensible" manner that it would be a grave mistake to think that De Gasperi had gone to the United States to conclude economic negotiations in a few days. It would be equally mistaken, the paper observed, to regard his visit as implying the subservience of Italy to the United States. The paper emphasized the "moral significance of the journey". It intimated that the Prime Minister's journey was destined to strengthen the ties of friendship between the two countries and to lay the future foundations of the negotiations which would subsequently be carried on through normal diplomatic channels. A decidedly political note was injected into the journalistic comment by Giannini who, writing in *Buonsenso* declared that De Gasperi's visit might bear interesting and immediate results only if he succeeded in making the most of Italy's position in the Mediterranean and the Adriatic.

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981

Declassified E.O. 12356 Section 3.3/NND No. 765020

A great deal of prominence in the Italian press was given to Byrnes speech. *Giornale d'Italia* used as its headline the Secretary's sentence, "We are anxious to help Italy in the dark days ahead". Pratically all of the other papers reported the affair in the same tone and the overall optimism was not diminished following the Prime Minister's "extremely cordial" conversation with President Truman on 7 January. At the conclusion of a twenty minute talk, *Il Popolo* reported that the Italian leader quoted the American President as follows: "We have no demands to present to the Italian people; confidence in their industry makes us keep to our policy of helping Italy". Amid the speech-making however, much down-to-earth spade work was being done. The Prime Minister spent some time with Secretary of Treasury John Snyder. The exact subjects of the conversation were not announced but the press presumed they included further payments of lire spent by American forces in Italy and the unfreezing of Italian assets in the United States. Other American officials with whom he conferred were Undersecretary of State Dean Acheson and Undersecretary of State William Clayton. In the meantime, Italian Foreign Trade Minister Campilli was conferring with Secretary of Agriculture Clinton Anderson.

Aside from Byrnes brief reference to it at Monday night's banquet, the peace treaty was scarcely mentioned in the public utterances of the various dignitaries until 8 January when during a press conference De Gasperi declared that the question of the treaty had not been discussed officially in Italy, contrary to the reports of various newspapers. He said that the treaty was a matter concerning the Italian Constituent Assembly.

Byrnes Resigns.

During the visit to Washington it was announced that James Byrnes had resigned as American Secretary of State and that the new Secretary would be General George C. Marshall. There was a brief speculation in the Italian press as to what effect this change would make in Italo-American relations but the flurry was stilled when De Gasperi announced following a visit to Byrnes on 8 January that he had been informed there would be no change in the policy of the U. S. State Department. The Italian Prime Minister further declared that the lines of the

Socialist Congress.

In the field of national politics the Socialists took most of the headlines with the opening of the National Congress in Rome on 9 January. For some weeks the papers have been filled with polemics between the leaders of the various trends particularly between Saragat and Nenni. However for a week or two before the opening of the Congress things had been fairly quiet as most of the groups seemed to be awaiting a showdown at the Congress. Two days before the opening of the Congress the so-called non-fusionist (with the Communists) element headed by Saragat decided to withdraw from the Socialist Party of Proletarian Union. It was declared that this group would form an independent Italian Socialist Party. At the same time the P. S. I. U. P. held a meeting in which the strength of the party was estimated. According to *Messaggero* Nenni estimated that his group would probably count on about 580,000 votes of the party members as compared with an estimated 250,000 for the opposition.

The Socialist Initiative trend of the party also met on the 7th but was not heard from until the opening day of the Congress itself when Matteo Matteotti read a statement to the effect that the Party "had been sold to outside interests" and called upon the Congress to dissolve itself. It was apparent that the dissident elements were getting together, for a second congress of these elements was held during the day at Palazzo Barberini.

But there was apparently a split within the split. Alberto Simonini of the Socialist Cities trend (Saragat's) announced at the regular party congress that the majority of that group was willing to talk matters over in respect to relations with the Communists before walking out.

In a lengthy address during the day Pietro Nenni, Foreign Minister and President of P. S. I. U. P., denied that he was considering any organic fusion of the Party with the Communists. He declared that this idea had been "buried" when it was voted down at the Florence Congress last spring. He announced that he was willing to step down as party leader if that was the price demanded by the other elements for their continuance in the party. It was a strong plea for unity.

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Declassified E.O. 12356 Section 3.3/NND No. 785020

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Questioned in Washington as to the possible political effect of Saragat's resignation from the Socialist Party, De Gasperi reportedly stated that he did not know whether this action would bring about a Government crisis. Saragat is not a

Declassified E.O. 12356 Section 3.3/NND No. 785020

member of the cabinet but is President of the Constituent Assembly. The Prime Minister told newspapermen that there was a possibility that Saragat might resign his office, but then might be re-elected.

The Communist Party's National Conference on Party Organization opened on 6 January in Florence. Togliatti delivered an address in which he stressed the "democratic" character of the party. "We discuss our problems in our basic organizations and at the meetings of the Party Executive... We are not however of the opinion that a party can be called democratic only if its leaders accuse one another of being fascists... We hold discussions on democratic lines but we all know that we are united by a solemn pact to which we adhere when we join the party and by which we undertake in the course of the struggle which lies ahead, to be always on the same side of the barricade". He also expressed the hope that the Socialist Party might maintain its unity.

Party Report.

In a report of party organization Pietro Secchia mentioned the electoral success in the 2 June elections, the victorious campaign against Corbino and the party's struggle for national reconstruction. He declared the party's membership as of 31 October was 2,166,448, an increase of 445,000 during the year 1946 up to that date. He complained however that there was too much disproportion in the numbers of members in the various regions and Federations. Greater attention must be paid to the South and the islands he declared. Referring to the Communist press he announced that during "Communist Press Month" 30 million lire had been subscribed but that *Unità's* circulation had shown no spectacular rise.

On 6 January several hundred partisans and former youthful followers of Mussolin's republic gathered at the tomb of Italy's Unknown Soldier in Piazza Venezia, Rome in a reconciliation ceremony. A similar ceremony had been held in Perugia on New Years day and had been favorably reported. This time however the various veterans' organizations and party leaders were decidedly not in accord. As a result, following a meeting held the same evening, an order of the day was issued disclaiming all connection with the affair. The order was signed by representatives of four veterans' organizations and seven of the leading political parties, and went on to

Court of Cassation.

At the new year inauguration ceremony of the Court of Cassation which was held on 4 January, Massimo Pilotti Procurator General delivered an address during which according to *Italia Libera* he failed either to mention the Republic or note the presence of President of the Republic De Nicola. The paper inveighed against the slight and urged Minister of Justice Gullo to take measures "for the defense of the Republican regime".

On 8 January at the meeting of the Council of Ministers, Gullo did in fact demand that the Government should take disciplinary measures against both the President of the Court and the Procurator General on the grounds of serious lack of respect to the Head of the State. The council, however, decided to postpone action on the question until the return of Prime Minister De Gasperi from the United States.

ECONOMIC FRONT

For the period from 1 December 1946 to 7 January 1947, 825,307 tons of wheat were available in Italy, according to this week's report by the Economic Division. Of this amount 421,990 tons were consumed leaving a balance of 403,317 tons. Providing stocks can be moved from deficiency areas this balance will meet requirements for the country for 36 days.

The wheat supply in Venezia Giulia and Udine will increase by 8,000 tons on 15 January, the Economics Division reports, with the arrival of the S.S Nikola Labadic, and 8000 tons flour are scheduled to arrive in Trieste on 16 January, while the S.S Kelly is due on 23 January in Trieste with a cargo of coal.

Control of food prices and the fight against the black market in Rome have brought about a further shortage together with an increase in prices, the division also reports. The price of eggs for example has jumped from 35 lire ten days ago to the present figure of 45 lire. Even at this higher price they are not always available.

Coal.

The estimated availability of coal in January is 1,045,000 tons. Allocation for consumption during this month has been increased from 400,000 tons to 500,000 tons leaving an estimated balance at the end of the month of 545,000 tons.

960

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Power.

Due to freezing of rivers and canals in the north of Italy power from the area's hydro-electric plants has been decreased. Because of this drop

090
Declassified E.O. 12356 Section 3.3/NND No. 765020

in import from the north and increased consumption as compared with the preceeding month the estimated power shortage for January is about 36 per cent. This is a considerable estimated increase over December's shortage of 26 per cent. In November the shortage was 32 per cent.

The Sila reservoir group have now about 58 million KWH in storage as against 40 million KWH reported last week.

AIR FORCES SUB-COMMISSION

Group Captain L.E. Jarman, senior staff officer, made a short visit to the A.F.S.C. Detachment in Milan on 2 January when outstanding matters were discussed with Flight Lieutenant Lord, the detachment commander.

A special flight of three Italian Aircraft, one SM. 95. and 2 G. 12s, left Italy for Cairo, Egypt, where they brought an Italian Opera Company which had been invited to visit the country at the special request of the Egyptian Government. Another special flight was arranged to Pola for Vatican Officials connected with relief. An Italian aircraft conveyed the party to Udine, but from there the flight was continued in an R.A.F. aircraft.

Amendola Airfield is scheduled to be officially turned over to the Italian Air Ministry in the near future. The 55th Station Hospital in Foggia will also shortly become Italian Government property.

As a result of an International Conference held in Paris during October and November 1946, the Italian Air Ministry agreed to set up an Approach Control Zone in the Milan area for air traffic control.

DISPLACED PERSONS DIVISION

Evacuation of Germans to their homeland has begun with the return to the American Zone of 170 persons and it is hoped that during the month of January a way will be found to return the remainder of the Germans now in Bolzano and Fossoli di Carpi to Germany.

Fourteen persons have emigrated from Bagnoli Displaced Persons Center to Paraguay, where they will re-settle and begin their lives anew.

Six-hundred Greeks are expected to be in transit through Italy during the first two weeks of January. Of this number 284 are from Austria and 160 from Germany.

ODDS AND ENDS

The following American officers have recently joined the Allied Commission and have been assigned to the indicated offices: Lt. Col. Gervaise Chittick, (Legal Division); Capt. Marcel A. Huet, (Public Relations Branch); Capt. Thaddeus J. Trybalski, (Communications Division); and Capt. Fredric C. Barr, unassigned.

Last week's *Bulletin* (this section), concerning Maj. T. I. M. Scully, should have read: Maj. T. I. M. Scully, MBE, (O. C. British Detachment) has left the Allied Commission on leave to the United Kingdom.

0920
Declassified E.O. 12356 Section 3.3/NND No. 785020

January 6, 1947 Vol. III, No. 38

ALLIED COMMISSION

WEEKLY BULLETIN

PUBLISHED BY PUBLIC RELATIONS BRANCH, HEADQUARTERS, ALLIED COMMISSION, APO 794

POLITICAL

General unrest in Italy continued to mount last week as the weather turned colder and the people became more immediately confronted with the elementary problem of food and unemployment. In the newspapers there was much speculation as to the possible results that might come from the prospective visit of Prime Minister De Gasperi to the United States. The press, however, also had other matters to write about as the reaction of the people to continued want took a more violent channel that lead to disorders and general strikes.

On 27 December a crowd of citizens estimated at several thousand, stormed the City Hall at Bari. The disturbance apparently began as a protest against the rising cost of living and the general unemployment. As the throng grew it marched on the City Hall and attempted to ram the doors with commandeered busses. Attempts to break up the riots were made by police on foot and in armored cars. The police resorted to firearms and succeeded in repelling the assault on the City Hall. In the action one demonstrator was killed and at least fourteen injured. The crowd broke up into two groups one of which marched on the Bari branch of the Bank of Naples and the other on the city's main fruit market. The former group succeeded in starting a fire at the bank before police and firemen could put it out. While this disturbance seemed to grow spontaneously, it was quickly taken over by the local Chamber of Labor which called a general strike the following day. The strike was short lived but the fact that the general unrest was spreading was borne out by rioting at the Sicilian town of Palmi near Palermo evidently due to the same causes as that which had provoked the outbreak at Bari.

Although it appeared that the various outbreaks were spontaneous in origin the Italian of disturbances were due to left-wing agitation. On the other hand *Unità* attacked the Government because the police had fired into the mob and further cried that the Southern towns were being managed by "Monarchists and Fascists".

In return the Christian Democrat newspaper *Il Popolo* thundered that the Naples and Bari strikes were only the beginning of a "calendar of strikes," instigated by the parties of the left for no other purpose than to bring discredit upon the Government. To this both *Unità* and *Avanti* charged that the strikes represented a spontaneous reaction to the De Gasperi Government. The Italian press in general said that the two aforementioned strikes were only the forerunners of others in several localities in Sicily and Southern Italy.

A general strike was begun at Caserta on 2 January with the local Chamber of Labor demanding the same measures as had been demanded by the Chambers at Naples and Bari. *Il Globo* reported that there were persistent rumors to the effect that a general strike would be called at Rome between 5 and 8 January. The same paper charged that the purpose of this rumored strike along with the others was to sabotage Prime Minister De Gasperi's mission to Washington and thus prevent a further turning away of Italy from the East to the West in the country's diplomatic relations.

De Gasperi and the Council.

The general rising clamor and its possible connection with the impending visit of the Prime Minister to the United States was by no means unnoticed by the Prime Minister. At the meeting of the Council of Ministers on 30 December, De Gasperi deplored the attitude taken by the leftist press toward his contemplated trip. In particular he decried the slant of the Socialist and Communist papers in which they hailed every measure taken by the Government to relieve

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Although it appeared that the various outbreaks were spontaneous in origin the Italian press had other ideas. Practically everywhere South of Rome the municipal governments are rightwing and the organs of the rightist parties were not slow to declare that the increasing series ment because the police had fired into the mob and further cried that the Southern towns were being managed by "Monarchists and Fascists".

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0922 Declassified E.O. 12356 Section 3.3/NND No. 785020

newspaper *Popolo* in order to have the Government's action supported, not only prefers silence but demands that during De Gasperi's trip to America, hunger be satisfied by machine-gun fire. The unemployed people of Bari and all of Southern Italy should die quietly of starvation merely because a Cleveland return ticket is in the pocket of the President of the Council of Ministers. Evidently the semi-official staff of *Il Popolo* feel sure that De Gasperi will return as a victor, laden with gold from his travel on the high seas."

The Prime Minister declared that by such publications his mission was being devalued and the people of Italy unnecessarily excited. He inveighed against what he called the systematic sabotaging of action by the Government and at the discrediting of the state's authority. He declared that he would not tolerate the situation. "If one shares in the Government, one must support the Government and not take part in demagogy", the Prime Minister said. He further compared the present situation with that of 1919 which was followed by the rise of fascism.

De Gasperi concluded his remarks at the meeting by pointing out that his trip was the result of the first invitation of its kind made by another government to Italy and further declared that the importance of the visit should be neither overvalued nor undervalued. At the same meeting Foreign Minister Nenni voiced his regret that he could not accompany the Prime Minister owing to the imminence of the Congress of the Socialist Party.

Republican Demands.

The importance of De Gasperi's trip to the United States was further indicated by the fact that the demands of the Republican Party for immediate adoption of their nine-point program mentioned in last week's *Bulletin* were postponed until the return of the Italian Prime Minister. The memorandum of the Republicans was explained by the Republican Minister Macrelli at the Council Meeting but by mutual agreement final consideration and decision were shelved. This was patently a truce inasmuch as the original demands had listed immediate adoption of the various points as the price of continuance of the Republicans in the Government. For the time being once again it was evident that common

Maria Romana, private secretary, Minister for Foreign Trade Campilli, Dr. Zoppi, of the Ministry, Dr. Menichella Director General of the Bank of Italy, Dr. Carli also of the Bank of Italy, and Dr. Canali who will act as the Prime Minister's Secretary for press relations. According to *Messaggero*, De Gasperi's schedule called for his presence in Washington on 6, 7, and 8 January during which time he was expected to confer with President Truman and Secretary of State Byrnes. On 9 January he is to visit Chicago and on 10 and 11 January he will visit Cleveland taking part in an "International Study Convention", sponsored by the Magazine *Time*. During 12 and 13 January the Italian Prime Minister will be the guest of New York City and he will then return to Italy. During his absence De Gasperi's posts will be filled by Foreign Minister Nenni as Acting Prime Minister and by Minister of Merchant Marine Aldisio as Acting Minister of Interior.

Rome's Mayor.

The mayoralty situation in Rome was resolved on a temporary basis with the appointment on 28 December of Mario de Cesare as governing commissioner of the City. The Commissioner was formerly Prefect of Ravenna and Brescia. He will be assisted by two sub-commissioners. It is likely that new elections will be held in a few months in another attempt to elect a mayor. At the Administrative Elections of 10 November the People's Block obtained a plurality but were unable to obtain a clear majority which would have enabled the parties comprising the Block to establish a Mayor. The situation resulted in an impasse when the Christian Democrats refused to collaborate with the leftist parties in the formation of a local government. At one point the Christian Democrats joined with the Qualunquists and did succeed in electing a mayor who was to head a junta composed of the proportional representation of the parties. The leftists however refused to serve under those conditions and the elected mayor, thereupon resigned. Another suggested solution involving the coalition of the leftist, Liberals and Christian Democrats also resulted in failure. It was predicted that extremely heated political campaigns would precede the new elections.

ECONOMIC FRONT

Declassified E.O. 12356 Section 3.3/NND No. 785020

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De Gasperi left Rome in a C-54 aircraft on 3 January. Included in his party were his daughter Secretary for press relations. According to *Messaggero*, De Gasperi's schedule called for his presence in Washington on 6, 7, and 8 January during which time he was expected to confer with President Truman and Secretary of State Byrnes. On 9 January he is to visit Chicago and on 10 and 11 January he will visit Cleveland taking part in an "International Study Convention", sponsored by the Magazine *Time*. During 12 and 13 January the Italian Prime Minister will be the guest of New York City and he will then return to Italy. During his absence De Gasperi's posts will be filled by Foreign Minister Nenni as Acting Prime Minister and by Minister of Merchant Marine Aldisio as Acting Minister of Interior.

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ECONOMIC FRONT

Consumption of wheat in Italy for the period from 1 to 29 December was 319,899 tons, it was reported this week by the Economic Division. Inasmuch as the amount of wheat available up

Declassified E.O. 12356 Section 3.3/NND No. 785020

to 29 December was 778,071 tons, a wheat stock of 458,172 tons was on hand as of 30 December. This stock is sufficient to meet requirements for 41 days contingent upon the availability of transport to move the stocks. In addition to that on hand at the end of last month 67,751 tons has been signalled to arrive up to 1 February.

Arrangements have been made for the loan to the Italian Government of 5,000 tons of wheat from military stocks. Stocks of wheat and flour on hand in Venezia Giulia and Udine will supply these areas through January and repayment will be made by 1 February.

Coal.

The stocks of coal on hand as of 31 December 1946 was estimated to be 345,000 tons. It was expected that approximately 700,000 tons of coal would arrive in January making a total availability for the month of 1,045,000 tons. The allocation for consumption during the month is 500,000 so that it is estimated that 545,000 tons of coal will be available as of 31 January 1947. Normal shipments of coal will begin to arrive about 10 January.

P. O. L.

P.O.L. stocks on hand were reported as follows: motor gasoline 55 days, diesel oil 40 days, kerosene 60 days and fuel oil 60 days. It was reported that of the two million barrels of crude oil paid for by UNRRA, 900,860 barrels have now been received at the refineries of Bari and Naples and local distribution of the products refined therefrom has been started.

Power.

No change has been reported in the power situation in Northern Italy. There has been no marked improvement in the electricity situation in Central and Southern Italy. The Sila reservoirs are filling up steadily, however and last week had reached about 52 million KWH which is about one sixth of their capacity.

LAND FORCES SUB-COMMISSION (MMIA)

Orders have now been received from A. F. H. Q. for the withdrawal of British Liaison Units attached to Italian Army Territorial Commands. The withdrawal of those units remote from areas still occupied by Allied troops is to begin almost immediately. This withdrawal curtails the more intimate functions of L. F. S. C. in respect of the Italian Army and leaves mainly centralized liaison with the War Ministry and Central Schools in and around Rome.

Negotiations are now in progress with a view to the transfer to the Italian Army of surplus British equipment from the occupation forces in Austria. It is expected that much useful maintenance equipment for arms and transport will be obtained from this source.

Decoration.

On 28 December 1946, in San Severo at a large ceremony which had been arranged by the Sindaco and the Carabinieri, representatives from M. M. I. A presented a Bronze Star Medal to Lt. Col. Ottorino Bazza, now retired and former Commanding Officer of the Carabinieri unit, which had guarded the vital points in the lines of communication in the Foggia Area during the war. The Allied Force Units of the British Eighth Army and the US 15th Air Force were supplied with aviation gasoline through the highly important and valuable pipe line located in that area. Lt. Col. Bozzi's unit performed its duties so well, that there was no interruption of the flow of gasoline to the Air Corps Units due to sabotage. His important assistance was greatly valued by the United States in the war against the common enemy.

ODDS AND ENDS

Maj. T. I. M. Scully, M.B. (Camp Commandant) has left the Allied Commission on leave to the United Kingdom.

Three American officers have recently joined the Allied Commission and are waiting assignment. They are: Lt. Col. Langdon A. J. Jackson, Maj. Robert E. Vollendorf, and 1st. Lt. John W. Hughes, Jr.

978

Declassified E.O. 12356 Section 3.3/NND No. 785020

December 23, 1946 Vol. III, No. 36

ALLIED COMMISSION
WEEKLY BULLETIN

PUBLISHED BY PUBLIC RELATIONS BRANCH, HEADQUARTERS, ALLIED COMMISSION, APO 794

POLITICAL

In the political field, Italy last week centered its attention almost entirely upon the domestic scene. The peace treaty had been finished by the Council of Foreign Ministers with the possible exception of a few very minor details which were to be left to the Deputies. Little remained aside from the circularization of the official texts and the ratification and signature by the signatory powers. The general consensus of editorial opinion was that everything that could be done had been done. It was by no means a good treaty—they thought—but there it was. It was unlikely that the document would make news of a substantial nature in Italy until it came to be considered by the Constituent Assembly.

And so the editors dropped practically all mention of foreign affairs from their columns and looked more searchingly at the internal state of the nation.

The usual party polemics which were never absent even in the most hectic days of the Paris Conference and the meeting of the Four in New York, continued to stud the columns of the various organs. But it was rather different from the almost casual name-calling that had characterized the Italian party press up to this point. It was becoming increasingly evident that to most of the Italian people, politics for its own sake was distinctly a luxury. The issues as cited in the press left the academic realm of governmental philosophy and descended to the more realistic level of food, shelter, prices and unemployment.

Probably the most important news of the week was the General Strike in Naples. Demonstrations started early in the week apparently as a spontaneous protest against the steadily increasing prices. But the protest became organized when a general strike was called on 17 December by the Naples Labor Confederation. To all intents and purposes Naples became paralyzed.

2 June and 10 November by substantial margins was now endeavoring to take its revenge by sponsoring a demagogical policy. Erasmo writing in *Risorgimento Liberale* cited statistics purporting to show that Venice which has a Social-Communistic administration had obtained a large allotment of food but that during the same period Naples had not fared so well. *Italia Nuova* on 19 December declared that an attempted sacking of an UNRRA depot had been headed by leaders of a leftist party ".

Free Press Issue.

The free press issue, however, swiftly became the *cause célèbre* of the entire situation. In the general tie-up of Naples commerce and services newspapers were authorized to go to press provided they " voiced the will of the people ", *Domani d'Italia* a Christian Democrat newspaper printed an article opposing the strike in which it declared: " the hastiness with which the Agitation Committee took action arouses in many persons the well-grounded suspicion that by resorting to the extreme measure of the strike the real interests of the people were not taken into consideration ". The paper was not published on 19 December and its failure to appear was caused according to *Unità* by the publication of the offending article. *Popolo* immediately charged that the local Chamber of Labor had been overcome by a minority which was trying to uproot democracy by suppression of the freedom of the press, while *Italia Nuova* cried that " This attempt to reduce the freedom of the press ", was clear proof of the paper's previous charge that the leftist parties were trying to take revenge for their election defeats.

The strike came in for its attention at the meeting of the Council of Ministers on 17 December. Following a report by De Gasperi on the details of the strike as then known, the prime Minister censured the strike as unnecessary inasmuch as

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Naples has a Monarchist Mayor and *Italia Nuova* charged that the People's Block which had been defeated in Naples in the elections of 2 June and 10 November by substantial margins was now endeavoring to take its revenge by sponsoring a demagogical policy. Erasmo writing in *Risorgimento Liberale* cited statistics purporting to show that Venice which has a Social-Communistic administration had obtained a large allotment of food but that during the same period Naples had not fared so well. *Italia Nuova* on 19 December declared that an attempted sacking of an UNRRA depot had been headed by leaders of a leftist party".

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The strike came in for its attention at the meeting of the Council of Ministers on 17 December. Following a report by De Gasperi on the details of the strike as then known, the prime Minister censured the strike as unnecessary inasmuch as all demands could have been properly presented to proper bodies of the Government. At the same meeting Acting High Commissioner for Food Aldisio declared that bread rations were insured

Declassified E.O. 12356 Section 3.3/NND No. 765020

for Naples until the end of the month. Ferrari announced that 10,000 quintals of pasta and large stocks of wheat were on their way to Naples. Minister of Public Works, Romita, declared that public works at Naples amounted to seven billion lire and employed 14,000 workers.

On 18 December Prime Minister De Gasperi took to the radio to exhort the people of Naples to end the strike. He agreed that the situation was difficult but drew an analogy between the people of Naples and Italy as a whole pointing out that "on the world's markets Italy is also making queues; she is standing in line in Washington, in Buenos Aires, in Ottawa, and in Turkey among many other nations and she will be allowed to proceed only if the Italians prove they are a disciplined people". The strike was ended on 19 December, but the strike committee announced it would continue to exist to insure execution of promises made by the Government.

Party Politics.

Party politics, aside from the Naples matter, last week were unusually calm with most of the headlines reflecting heated internal party discussion rather than inter-party strife. The Socialist Party, which had occasioned most comment during the past three weeks with its several "trends", dropped almost completely from the news. This was generally credited in political circles to the imminence of the Party Congress to be held in January. It was felt that the various groups were saving their ammunition for the Congress.

A split however, developed in the Liberal party. At a meeting of the Party Directorate on 12 December a motion by Enzo Selvaggi providing for merger of the party with the Uomo Qualunque was defeated by the narrow margin of fifteen votes to thirteen with two abstaining. Selvaggi and his followers thereupon resigned from the Liberals and the short marriage between the Liberal Party and Selvaggi's former Italian Democrat Party was finished. As far as could be ascertained the secession consisted of only former Democrats aside from a group known as the Liberal Youth Rome Committee. The old-line Liberals were apparently standing fast. Selvaggi's switch to the Uomo Qualunque (which followed his resignation from the Liberal Party) was accomplished to the accompaniment of a series of letters. To Cassandro, Secretary General of the Liberals he said that his decision was

Democrats from joining the Uomo Qualunque before, was the fact that at the time of the referendum the Democrats were working for the success of the Monarchy whereas the Uomo Qualunque included both Monarchists and Republicans. He concluded by saying that now that the Uomo Qualunque had changed its name to include the liberal element there was nothing to prevent the union of the two parties.

The change in the name of the Uomo Qualunque Party was accomplished at a meeting of the National Convention of the party on 14 December. The new name is Liberal Democrat Front of the Uomo Qualunque. It was proposed by Giannini who declared on 13 December that there were only two political ideas, totalitarianism and liberalism and that therefore there could be only two political blocks. Giannini claimed that only the Uomo Qualunque had propagandized the liberal idea. The Party leader however, held out an olive branch to the Communists when during an interview with ANSA on 19 December he declared that a struggle to the end between the two parties would be harmful inasmuch as no matter who won, the result would be totalitarianism. "We firmly believe and sincerely hope", he said, "that it will be possible to find a common ground on which to start a useful collaboration".

In the Christian Democrat Party there were some indications of strife. At a meeting of the party's National Council on 13 December criticism of the left trend of the party against the party secretariat provoked the resignation of the Political Secretary Attilio Piccioni. However, Piccioni withdrew his resignation that night when the leftist criticism was defeated. On 16 December the party National Council passed two motions supporting the present three-party Government system and the single syndicate of workers and stressing the need for absolute solidarity among the parties and men working for the Government. The motions were rather significant in view of the fact that recently there has been a rising chorus demanding complete rejection of collaboration with the Communists and also a withdrawal from the General Confederation of Labor. These demands had been spear-headed by Stefano Jacini leader of the Right-Wing trend of the party and Guido Gonella Minister of Education. The resolution of the National Council however, would seem to indicate that the Christian Democrats were committed to a continuation

Declassified E.O. 12356 Section 3.3/NND No. 785020
0928

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Palmiro Togliatti in an article published in *Unità* on 17 December contrasted the difficulties of the other parties with the discipline of the Com-

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Declassified E.O. 12356 Section 3.3/NND No. 785020

munists. He described the troubles of the Socialists and the Christian Democrats as crises of expansion and maturity and that of the Liberals as a crisis of dissolution.

ECONOMIC FRONT

Estimated wheat consumption in Italy for the period from 1 to 15 December was 165,464 tons it was reported this week by the Economic Division. Inasmuch as the wheat available during the first half of the month amounted to 701,409 tons, consumption for this half month has left a balance of 535,945 tons or sufficient to meet requirements for 49 days contingent upon the availability of transportation to move the stocks. It was expected that 47,372 tons would arrive prior to 26 December. A total of approximately 17,000 tons of wheat arrived recently in AMG territories. These territories are now able to meet bread and pasta requirements up to 28 February.

Little change is reported in the coal situation. The January allocation for Italy by the European Coal Organization is 422,400 tons from the United States and 176,000 tons from all other sources making a total of 598,400 tons.

Improvement in the Italian civilian P. O. L. situation is reflected in the following stock position: motor gasoline 35 days; diesel oil 14 days; kerosene 50 days and fuel oil 60 days.

As to the power situation, no change is reported in Northern Italy. The hydroelectric situation is gradually improving in Central and Southern Italy. The seasonal re-fill of the Sila reservoir group has started, raising it from a low of 7 million KWH to 19 million KWH. The capacity of this group is 300 million KWH. The thermal plants are working almost to full capacity.

COMMUNICATIONS DIVISION
POSTAL SECTION

Postal Sorting - Carriages.

In 1938 the Italian Postal Service was using approximately 550 sorting-carriages on the railway systems throughout Italy. These sorting-carriages were of three types and were allotted according to size to the routes over which they worked to cover the requirements of the bulk of mail to be dealt with by the necessary number of postal personnel carried.

being used for postal purposes at the time of the Italian surrender to the Allied Armies.

The recovery of Italy's internal postal services necessarily kept pace with the recovery of her railway services, and as passenger trains were reintroduced, arrangements were made for sorting-carriages to be put again into service. It was then found that not only had the original number been definitely reduced by a 50 % loss, but that further depletions had occurred through (*a*) lack of running repairs, (*b*) being used by organizations other than the postal service and, (*c*) attached to long distance train services as baggage and guards vans.

These carriages built to Italian specifications to meet the requirements of a staff of six or seven persons travelling and working in them, (mainly during the night) for periods of 8 to 10 hours, appeared luxurious compared to the ordinary closed railway wagon, for heating, cooking, and lighting installations are fitted. It can therefore, to some extent, be understood why they were taken for other types of work when found apparently derelict in railway marshalling yards.

At the time of the break-through into Northern Italy, when the internal postal services were able to make the biggest bulk recovery movement only 30 % of the sorting-carriages were available.

A great deal of time was spent by postal and railway officials in tracing the carriages used for purposes other than the correct one, but once the registered numbers of the carriages were obtained, little time was lost in getting them returned to the Postal Administration.

The advantage of the use of sorting-carriages within a country's postal service is recognized internationally, and it will readily be seen that to sort correspondence on the train while travelling between two stopping places provides a more rapid service than the conveyance of sealed bags of mixed correspondence to a distant office only to be resorted in a stationary sorting office and later returned over the same route by another train to the place of address.

Great advances have however been made and with the repair of partially damaged carriages and the overhaul of many that threatened breakdown owing to lack of maintenance during the war years, and the careful arrangement of the allocation of the available carriages by the inspectors of the postal movement section, practically all the important centers of Italy are today being

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Declassified E.O. 12356 Section 3.3/NND No. 785020

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During the war 50 % of these sorting-carriages were either destroyed or removed from the Italian State Railway system and with the drastic reduction of rail services no sorting-carriages were reintroduced, arrangements were made for sorting-carriages to be put again into service. It was then found that not only had the original number been definitely reduced by a 50 % loss, but that further depletions had occurred through (*a*) lack of running repairs, (*b*) being used by organizations other than the postal service and, (*c*) attached to long distance train services as baggage and guards vans.

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Great advances have however been made and with the repair of partially damaged carriages and the overhaul of many that threatened breakdown owing to lack of maintenance during the war years, and the careful arrangement of the allocation of the available carriages by the inspectors of the postal movement section, practically all the important centers of Italy are today being served by sorting-carriages. Rome and Naples are the main points of radiation of the train services on which the sorting-carriages operate, (Naples' covering the southern and Rome the

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Declassified E.O. 12356 Section 3.3/NND No. 785020

northern junctions) with a shuttle service operating between these two centers to cover transfers between the two systems.

Italy has not so far developed the system of using a complete train consisting solely of Post Office sorting-carriages and stowage vans for mails, as is used in certain other countries, nor have the sorting-carriages in use at present been fitted with apparatus for picking-up and discharging mail bags at specified points at the side of the railway track while the train is in motion. This latter system considerably developed in Great Britain and the United States of America gives even greater advantages of a quick postal service to the smaller and intermediate towns between the important railway junctions at which scheduled stops are made

AIR FORCES SUB-COMMISSION

Permissive authority has been given by higher Allied authorities for Italian civil aviation services, in addition to scheduled air lines, to operate inside Italy, Sardinia and Sicily. This authority refers to companies to operate air charter services carrying freight on non-regular schedules, taxi services using light aircraft acting as feeders of main aircraft terminals, and private aircraft used for commercial and business matters.

In order to give employment to aeronautical workers and to assist in the rehabilitation of Italian commerce and civil aviation, approval has been given for the construction of a limited number of civil type aircraft. These aircraft are for internal requirements only.

The Italian War Cross for Military Valor and the Italian War Cross of Merit were presented to Lt. Colonel Frank E. Marek and 1st Lieutenant Patt Favano. Among those present at the ceremony at the Italian Air Ministry on 19 November, 1946 were Dr. Cingolani, Italian Air Minister, General Aimone Cat, Chief of Staff Italian Air Force and the General Staff of the Italian Air Ministry.

LAND FORCES SUB-COMMISSION (MMIA)

The present period between the demobilization in November and the next call up in January is a quiet one in the Italian Army. Consideration is being given to the setting up of an Alpini school at Aosta to train specialists in Mountain warfare.

A certain number of Allied tanks are in the process of being handed over to the Italian Army to be held available for the formation of the new armored units within the terms of the Peace Treaty.

It is hoped that some 1000 Universal carriers will shortly be made available to the Italian Army from British surpluses.

DISPLACED PERSONS DIVISION

The overall picture, from the Displaced Persons point of view, remains fairly static with little or no change to report. The total number of Displaced Persons in Allied Commission Camps as of 7 December was 10,818, a minute reduction on the figures quoted in the two previous editions of this Bulletin.

The Repatriation Section of this Division has passed a comparatively quiet week. Seventy-seven Spaniards passed the frontier and safely embarked at Genoa for Spain.

About 250 Italians were repatriated from Germany during the week.

ODDS AND ENDS

Col. C. B. Findlay, CBE, MC, (B), (Displaced Persons Division) is on temporary duty in the United Kingdom.

Maj. D. S. Strachan-Audas, (B), (Captured Enemy Materials Sub-Division) has left for the United Kingdom on python.

Capt. N. J. Coombs, (B), (G-1) has returned to the Allied Commission from leave to the United Kingdom.

The following American officers have recently been transferred to the 7106 Regiment and have been assigned as indicated: Maj. James L. Curnutt, (Air Forces Sub-Commission); Maj. Ray J. Wilson, (Air Forces Sub-Commission); Maj. Lionel Mann, (Legal Division); Capt. Roy R. Walker, (Adjutant Section, Headquarters 7106 Regiment); Capt. Richard A. Illoway, (Economic Division); Capt. John C. Miller, (Displaced Persons Division); Capt. Haynes M. Baumgardner, (Air Forces Sub-Commission); 1st Lt. Joseph J. Trudel, (Motor Transport Section); and 1st Lt. Robert F. Lent, (Displaced Persons Division).

0932 Declassified E.O. 12356 Section 3.3/NND No. 785020

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0933
Declassified E.O. 12356 Section 3.3/NND No. 765020

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ECONOMIC NOTES

Published Weekly in English and Italian

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CONTENTS

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To all the people of Italy I send Christmas Greetings and good wishes from myself and from all who work in the UNRRA Italian Mission. We have greatly enjoyed the past year of work with our Italian colleagues. In UNRRA 48 nations have joined together to relieve the want and misery created by the war. This is the first of many steps that are necessary if nations are to work together to increase the resources of the world for the benefit of all the people instead of destroying in war even the resources they now have. I hope that the work we are doing together will continue to build that spirit of cooperation, and I trust that Italy will work as a full partner with the

Declassified E.O. 12356 Section 3.3/NND No. 765020

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Declassified E.O. 12356 Section 3.3/NND No. 765020

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THE WORK OF UNRRA IN 1946

Italy this Christmas can take new heart, states Mr. S. M. Keeny, Chief of the UNRRA Italian Mission in a review of UNRRA's work during 1946.

"We are fortunate, indeed," he said, "that the coal strike in America ended when it did. Had it dragged on for perhaps another month, Italy's coal stocks would have sunk so low that industry might have been dislocated throughout the winter. As things are—with the mines in the United States at work again and the ports busy—there is hope that industry will not only regain within three months such ground as it has lost in this last month or so, but improve beyond the best figures for 1946.

90,000 Tons of Coal

"It is good news at Christmas-time, that 90,000 tons of UNRRA coal have already arrived, or are on the way, from the United States, since the embargo was lifted earlier in the month, at the end of the coal strike.

"I find it satisfactory also to look back, and realize that, in spite of two strikes in the ports and a strike in the coal mines during the past three months, complete breakdown in Italy's economy has been avoided. We have successfully weathered a very difficult quarter and can look now, I hope, to steady improvement.

"It takes time to mine coal, it takes time to move it to the ports and ship it across the Atlantic: but from early in January onwards, the flow should steadily increase until by the end of the month, we should be back once more to the usual two ships a day with coal from the United States."

January Prospects

Even in December, in spite of all the difficulties, Italy should receive 319,000 tons of coal from abroad, and of that total, 179,000 tons will have come from the United States. In January, UNRRA expects to bring in

"Although this will be UNRRA's last Christmas in Italy, our work has not yet finished," Mr. Keeny went on to say. "It was only a year ago—in December, 1945—that the United States Congress voted the appropriation to UNRRA's funds which made it possible to allocate a further 375,000,000 dollars (£93,750,000 sterling) for relief and rehabilitation in Italy during 1946,—more than 10 times the whole of UNRRA's programme in Italy during 1945.

"When that money was voted we thought the last ship to load with UNRRA goods for Italy would have to sail before the end of December—although we always knew that arrivals would 'spill over' into 1947. In fact, ships will go on loading next year until the last cargo to be included in our programme has been dispatched, some three or four months hence. And many months after that UNRRA's work will still be going on until the last item shipped has been consumed—until wool becomes cloth, steel becomes a machine, rubber is made into tyres and seed has been planted, harvested and sold as food.

Programme Difficulties

"It has not always been possible to follow the pattern of what we planned with the Italian Government a year ago. There have been unexpected delays. We have had to face no fewer than four major strikes, two in the coal mines and two in the ports, which have interrupted the flow of supplies from the United States. In the earlier months of the year, shortage of shipping was still a problem—as it was again during the maritime strike. We had a world grain crisis in the months before the harvest. And throughout the year, we have always been faced with the problem that there is a desperate shortage throughout the world of those commodities—above all, grain—which Italy herself needs most.

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0936
Declassified E.O. 12356 Section 3.3/NND No. 765020

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Even in December, in spite of all the difficulties, Italy should receive 319,000 tons of coal from abroad, and of that total, 179,000 tons will have come from the United States. In January, UNRRA expects to bring in more than half-a-million tons of coal—of which over two-thirds will be from the United States and the balance from Eastern Hemisphere sources of supply.

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"Yet in spite of every difficulty, UNRRA by Christmas time will have succeeded in delivering at Italian ports approximately 7,700,000 tons of goods—or roughly 75 per cent. of the tonnage scheduled for delivery.

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Declassified E.O. 12356 Section 3.3/NND No. 765020

By the end of the year UNRRA will have delivered, or dispatched, 1,000 shiploads of food and commodities to the Italian people. From a mere 1,600 odd tons in January, deliveries rose to 356,000 tons in February and to 1,189,000 tons in August. Far from falling away in January, 1947, UNRRA imports are likely to show a substantial improvement over the last two or three months, during which deliveries have been held up by strikes."

Another 2,500,000 tons of UNRRA goods have still to arrive in Italy before the programme is completed. For most of these goods, payment has already been made, or contracts signed for future delivery. Already much detailed work has been done to prepare for the transition when UNRRA supplies begin to slacken off, and the Italian Government takes over the task of procuring food and vital raw materials from abroad.

UNRRA Grain Supplies

Since the Mission took over from the Allied Commission at the beginning of March the duty of maintaining Italy's essential food supplies, UNRRA has imported 857,328 tons of bread grains—or about one-quarter of all the bread cereals needed to maintain the bread and pasta ration for the 35,000,000 people in the country who do not grow their own grain.

In addition UNRRA has during the same period supplied 276,156 tons of other foodstuffs for distribution on ration scales through controlled channels.

Of the UNRRA wheat which—according to present expectations—is due to reach Italy before the end of this month, 2,831 tons have already arrived, and 21,569 tons should arrive within the next few days. Before the middle of January UNRRA expects to receive a further 31,000 tons of flour, wheat and other bread cereals.

Of the 7,700,000 tons of supplies (comprising many hundreds of different commodities) which UNRRA has shipped to Italy during 1945 and 1946, coal accounts for no less than 4,400,000 tons—and before the programme is ended another 1,276,000 tons have yet to arrive.

For most of this year (since UNRRA coal shipments first began to arrive in March) 95 colliers in every 100 that have brought in coal

to increase their output. In December, it is estimated, 100,000 tons will be mined in Sardinia.

Liquid Fuel

Since February, 1946, UNRRA has provided all the gasoline, diesel oil and fuel oil allocated for civilian use. "I am glad indeed," commented Mr. Keeny, "that as we in UNRRA prepare to hand over, two of Italy's biggest oil refineries have been started up again at Bari and Naples, and two others at present under consideration—one at La Spezia and one at Porto Marghera—are scheduled to recommence refining at the end of February, or early in March, 1947.

"Fuel—coal, gasoline and fuel oil—represents our greatest contribution to Italy's industrial recovery. But, in addition, UNRRA has provided a whole range of essential raw materials to enable factories to produce the goods which Italy needs—pig iron, for example, and manganese for the steel works. Just lately, UNRRA has brought in some thousands of tons of natural rubber which will enable tyre manufacturers to produce urgently needed, heavy-duty tyres for trucks and buses.

"The first deliveries are beginning of cotton goods made from 31,000 tons of raw cotton imported by UNRRA. That programme is only in its early stages. Not until 1947 will the full benefit of the plan really start to be felt. A similar plan will soon be in operation for 30,000 tons of UNRRA-imported wool.

Cotton Goods for 20,000,000 People

"Approximately 150,000,000 square metres of cotton goods will be available for between 20,000,000 and 25,000,000 people among the low-income groups of the population. That means between six and seven square metres of cotton material per head for shirts or blouses, women's dresses or men's working trousers, or sheets and towels. As UNRRA has already announced, approximately 50,000,000 square metres will be distributed free to the most needy, and the rest sold at a low price on a strict ration plan to those who cannot afford to buy these goods at present normal prices.

"When the plan for wool comes into operation, there will be enough UNRRA wool to make about 60,000,000 square metres of cloth

Declassified E.O. 12356 Section 3.3/NND No. 765020
By NARA Date 9/7/11

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For most of this year (since UNRRA coal shipments first began to arrive in March) 95 colliers in every 100 that have brought in coal from abroad have carried UNRRA cargoes. That excludes the coal from Sardinia, where, however, UNRRA through special relief projects has enabled the miners of Carbonia

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"The first deliveries are beginning of cotton goods made from 31,000 tons of raw cotton imported by UNRRA. That programme is only in its early stages. Not until 1947 will the full benefit of the plan really start to be felt. A similar plan will soon be in operation for 30,000 tons of UNRRA-imported wool.

Cotton Goods for 20,000,000 People

"Approximately 150,000,000 square metres of cotton goods will be available for between 20,000,000 and 25,000,000 people among the low-income groups of the population. That means between six and seven square metres of cotton material per head for shirts or blouses, women's dresses or men's working trousers, or sheets and towels. As UNRRA has already announced, approximately 50,000,000 square metres will be distributed free to the most needy, and the rest sold at a low price on a strict ration plan to those who cannot afford to buy these goods at present normal prices.

"When the plan for wool comes into operation, there will be enough UNRRA wool to make about 60,000,000 square metres of cloth for overcoats, jackets, trousers or woollen

Continued on Page 7

974

Declassified E.O. 12356 Section 3.3/NND No. 765020

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STATISTICAL SURVEY — OCTOBER, 1946

Description	Unit of Measurement	1945 Jan.	1945 June	1945 Sept.	1945 Oct.	1946 Jan.	1946 June	1946 Sept.	1946 Oct.
CURRENCY. PRICES									
Currency circulation	1938 = 100	1,590	1,815	1,788	1,805	1,837	1,932	2,111	2,136 (1)
Current accounts and deposits	»	—	367	402	424	519	631	675 (2)	—
Fine gold price (open market)	»	3,108	3,527	3,581	3,312	2,981	2,673	3,642	3,601
Dollar:									
Legal rates–Official	»	526	526	526	526	526	526	526	526
–Commercial	»	—	—	—	—	—	1,184	1,184	1,184
–Export	»	—	—	—	—	—	1,984	3,132	3,158
Black Market	»	1,758	1,532	1,752	1,779	2,011	1,926	2,616	2,647
Share prices (Milan)	»	733	673	508	607	455	574	786	748
Wholesale prices (Florence)	»	—	3,392	3,604	3,698	3,404	2,965	3,209	3,505
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,355	1,798	2,388	2,413	2,431	2,607	2,944	3,280
» » » Food	»	2,018	2,408	2,987	3,164	3,132	3,492	3,328	3,728
Wages in Milan:									
Unskilled workers	»	498	606	1,347	1,375	1,566	1,880	2,101	2,846
Skilled labour	»	423	498	1,033	1,051	1,182	1,410	1,579	2,134
Technical officials	»	298	324	588	588	762	898	971	1,324
Unemployed registered	Thousands	—	—	—	—	1,428	1,531	1,858	1,946
PRODUCTION									
Pig iron (3)	1938 = 100	—	—	—	—	5	32	46	38
Steel (3)	»	—	—	—	—	28	52	65	69
Rolled steel (3)	»	—	—	—	—	32	49	62	73
Cotton thread (3)	»	3	3	5	7	22	88	65	88
Artificial textile fibres	»	2	3	4	6	6	30	51	56
Mechanical - Fiat Co.	»	8	32	43	56	56	57	65	76
Chemical - Montecatini Co.	»	12	10	15	20	24	54	71	66
Electric power (4)	»	97	77	77	102	108	108	112	113
FOREIGN TRADE (5)									
Exports	Dols. ('000)	—	—	—	—	3,339	85,424	167,656	198,948 (8)
Imports (6)	» »	—	—	—	—	33,845	376,302	657,361	753,436 (8)
Wheat imports (6)	Tons ('000)	—	—	—	—	94	943	1,125	1,183
Coal imports (6)	» »	—	—	—	—	459	2,627	4,162	4,720
POL imports (UNRRA) (7)	» »	—	—	—	—	—	664	1,181	1,333
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	15,268	17,132	17,626	19,138	(9)	(9)
Goods	Tons ('000)	—	—	2,053	2,306	2,389	2,476	2,847 (8)	(9)

(1) At 20 October, 1946. (2) July.

(3) Production: Indices of production are still subject to a margin of error (see also ECONOMIC NOTES No. 45, of 22 November). Figures for North Italy only for October, 1946 (1938=100) are: Pig iron 53, Steel 80, Rolled steel 79.

(4) Calculated on the basis of comparable cumulative figures.

(5) Foreign Trade: Figures are cumulative, beginning 1 January. Present statistics on exports and imports are subject to a large but unknown error. The tonnage import figures are uncertain because it is known that UNRRA imports were not completely recorded in official figures. Value figures are additionally uncertain because of unreliable valuations and inconsistent conversion from foreign currencies to lire. In these figures, the import dollar was taken as equal to 100 lire, the export to 225 lire. The figures can be used only as a very rough index; they are under study and a more definite evaluation is being prepared.

Declassified E.O. 12356 Section 3.3/NND No. 765020

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Mechanical - Fiat Co.	»	8	32	43	56	56	57	65	76
Chemical - Montecatini Co.	»	12	10	15	20	24	54	71	66
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(6) Cumulative, including UNRRA. (Wheat crop 1945: 4,206,000 metric tons; 1946: 6,089,000 metric tons).

(7) These figures (which are cumulative) exceed official Italian figures, and attention has been drawn to the discrepancy.

(8) Provisional. (9) Not available.

NOTE: Population 1936 Census, 42,993,602. Estimated 1946, 46,000,000.

Declassified E.O. 12356 Section 3.3/NND No. 765020

STATISTICAL SURVEY FOR OCTOBER

The statement on economic conditions in Italy up to the end of October, 1946, published in this issue, has been prepared from information supplied by the Central Institute of Statistics in Rome, the Bank of Italy, the Italian State Railways and other official and authoritative sources. The survey covers currency and prices, cost of living, wages and labour; production; foreign trade and traffic on the State railways.

While the currency circulation in October was about 21.5 times above 1938, wholesale prices had increased in the same period 35 times, as compared with 30 times in June, and the cost of living about 33 times (26 in June). The black market price of the United States dollar had increased in June to 19.3 times and in October to 26 times the 1938 level. The average black market quotation in October was 503 lire to the dollar, compared with the commercial rate of 225 lire (19 lire in 1938).

Notwithstanding a continuous increase in prices and the cost of living, labour unrest subsided in October, following a labour truce (designed to last at least six months) between the two national federations of employers and labour respectively. The truce followed substantial wage increases, ranging from 30 per cent. to 50 per cent., and an agreement that, in future, wages would be adjusted on a sliding scale, according to the cost of living.

Wages and Labour

Wages of unskilled industrial labour thus increased to more than 28 times the 1938 level. Skilled workers' wages have increased to 21.3 times the 1938 level and higher clerical workers' to 13 times what they were in 1938.

The number of registered unemployed showed a further increase of 88,000 in October, when the total was 1,946,000. This increase was partly due to fuller registration at the labour exchanges in some 40 prefectures, including Rome, Milan, Turin and Genoa.

In spite of smaller UNRRA coal imports in October due to the two maritime strikes in the United States, the full effects were not felt in that month, and industrial production again showed an increase. According to calculations by the General Confederation of Industrialists, the general index of national industrial production level. The index of industrial production is believed to have improved in October.

Figures of Italian exports and imports so far available are very tentative (as explained in footnote No. 5 of the table on the opposite page). They appear to indicate that total exports from 1 January to 31 October, 1946, amounted, by value, to slightly more than one-fourth of the imports. In volume, exports amounted to 763,613 metric tons. They increased steadily up to the end of August, when they were stated to be 32,887,000 dollars (£8,221,750 sterling), receded in September (25,469,000 dollars) and improved again in October to 31,292,000 dollars (£7,823,000 sterling). Provisional returns for October indicate that exports were higher than in any other month of the year, excluding August, which was an exceptionally good month. The main exports were textiles (artificial fibres, silk and cotton goods), fruit and wines.

Import Figures

The official Italian figure for imports from 1 January to 31 October, 1946, is 8,330,931 metric tons. UNRRA arrivals up to 31 October were 6,601,000 metric tons. It is known, however, that not all the UNRRA arrivals are included in the official Italian import figures, as UNRRA shipments are often recorded some time after they actually arrive.

Imports in October were stated to be 966,703 metric tons—value 96,075,000 dollars (£24,018,750 sterling). They were lower than in September, which was the peak month of the year, largely on account of the two recent maritime strikes in the United States.

The statement on the opposite page shows, by quantity, the cumulative imports of wheat, coal and petroleum products (P.O.L.), which form the bulk of Italian imports. UNRRA arrivals up to 31 October included 700,990 metric tons of wheat, 3,875,895 metric tons of coal and 1,303,224 metric tons of P.O.L.

NEW PRICE DECISIONS

New prices for UNRRA-imported petroleum products have been fixed by the Italian Government and the UNRRA Italian Mission, on recommendations approved by the Price Committee at its meeting on 30 November.

Declassified E.O. 12356 Section 3.3/NND No. 765020
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Declassified E.O. 12356 Section 3.3/NND No. 765020

The following table shows the new prices now in force for petroleum products, together with the former prices and the percentage increases:

	New Price (Lire)	Old Price (Lire)	Percentage Increase
GASOLINE:			
(Per litre to consumer) . . .	35	27	29
DIESEL OIL:			
(Per litre to consumer) . . .	30	24	25
KEROSENE:			
(Per kilogram to consumer, ex retail selling point, including handling charges)	36.23	28.50	27
FUEL OIL:			
(Per kilogram, ex CIP coastal tanks, including handling charges)	8	8	(No change)

Increased costs of petroleum products and the doubling of the Italian Government tax on the refining of gasoline, gas oil, kerosene, fuel oil and lubricants have made it advisable to raise selling prices to consumers.

After payment of distribution and handling charges, the net proceeds from the sale of UNRRA-imported petroleum products are paid into the Lire Fund. These charges were estimated at 10.64 lire per litre for gasoline, leaving an estimated 24,36 lire per litre to be paid into the Lire Fund. Handling and distribution charges for gas oil (Diesel) are estimated at 11.44 lire per litre, leaving an estimated 18.56 lire per litre to be paid into the Lire Fund. For kerosene and fuel oil, the estimated charges are 13.47 lire and 3.15 lire per kilogram respectively, and the corresponding estimated net payments to the Lire Fund, 22.76 lire and 4.85 lire per kilogram.

At its meeting on 21 Novembre, the Price Committee recommended the following prices for UNRRA-imported toilet and laundry soap, and these prices have now been confirmed by the Italian Government and the UNRRA Italian Mission.

TOILET SOAP:

150 lire per kilogram, on retailer's vehicle, ex-intercommunal warehouse.

LAUNDRY SOAP:

115 lire per kilogram, on retailer's vehicle, ex-intercommunal warehouse.

Present stocks of UNRRA-imported soap, [illegible] to special classes (including hospitals) and as a special ration to normal consumers in urban areas.

UNRRA-imported industrial raw materials for which prices have now been fixed include:

XYLOL-NITRATION:

75 lire per kilogram in bulk, ex consignee's warehouse.

SOLVENT NAPHTHA (Aromatic):

66 lire per kilogram in bulk, ex consignee's warehouse.

WOOD ROSIN:

100 lire per kilogram ex consignee's warehouse, including drums.

Xylol (nitration) and solvent naphtha are among the materials for which January allocations are now being made through the Central Industrial Commission. The xylol which is being imported by UNRRA is intended for the production of d[illegible]estuffs. In normal time[illegible] Italy can produce all its requirement of xylol. At present, however, the shortage of coal has restricted coke-oven production to levels that are insufficient to satisfy home needs. UNRRA-imported solvent naphtha is intended for use as a paint and varnish diluent, as an industrial solvent and also in the manufacture of printing ink.

To date, 1,877 tons of wood rosin have been imported by UNRRA against a total programme of 2,500 tons. There is no domestic production of wood rosin. UNRRA imports compare in quality with the lower grades of gum rosin and can, therefore, be used in the manufacture of dark varnishes, bituminous emulsions and together with gum rosin, in the manufacture of ordinary soaps.

NOVEMBER IMPORTS

Supplies unloaded at Italian ports during November on UNRRA account totalled 514.172 tons, as against 512,724 tons received in October. The second maritime strike which held up shipping in United States ports from October 3 to October 27 seriously affected deliveries in November.

Coal accounted for 320,743 tons of the total received. 200,000 tons of UNRRA coal having been shipped to Italy as soon as the October maritime strike was over. Deliveries

Declassified E.O. 12356 Section 3.3/NND No. 785020

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LAUNDRY SOAP:

115 lire per kilogram, on retailer's vehicle, ex-intercommunal warehouse.

Present stocks of UNRRA-imported soap, to which these prices refer, total 6,276 tons of laundry soap and 244 tons of toilet soap. The soap will be distributed, under the control of the Ministry of Industry and Commerce,

UNRRA-imported industrial raw materials for which prices have now been fixed include:

XYLOL-NITRATION:

75 lire per kilogram in bulk, ex consignee's warehouse.

SOLVENT NAPHTHA (Aromatic):

66 lire per kilogram in bulk, ex consignee's warehouse.

WOOD ROSIN:

100 lire per kilogram ex consignee's warehouse, including drums.

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Coal accounted for 320,743 tons of the total received. 200,000 tons of UNRRA coal having been shipped to Italy as soon as the October maritime strike was over. Deliveries of P.O.L. (petroleum products) totalled 109,432 tons and 202,427 more tons were on the high seas at the end of the month.

0945 Declassified E.O. 12356 Section 3.3/NND No. 765020

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Declassified E.O. 12356 Section 3.3/NND No. 785020

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Asphalt (6,135 tons), colophony (984 tons), rubber (3,828 tons), lumber (3,578 tons), kaolin and other clays (6,333 tons), and refractories (444 tons) were among the industrial rehabilitation supplies imported by UNRRA in November.

Grain and grain products totalled 24,429 tons, as against 20,106 tons received in October. Included in these 24,429 tons were 4,734 tons of wheat flour, 6,951 tons of soya flour, and 1,941 tons of other grains and grain products. Other food shipments to arrive in November included 505 tons of fish, 882 tons of evaporated milk, 2,352 tons of edible fats and oils, 2,799 tons of pulses and 4,578 tons of coffee beans.

Arrivals on the agriculture rehabilitation programme totalled 11,460 tons, including 9,144 tons of nitrates, 2,108 tons of basic slag, 151 tons of farm machinery and 57 tons of seeds.

In the clothing and textile programme, 1,271 tons of raw wool and 2,484 tons of wool rags were received. UNRRA imports of composition rubber soling for shoes amounted to 185 tons and of finished footwear to 33 tons.

Further shipments in transit at the end of November, and for the greater part now unloaded at Italian ports, included 220,575 tons of coal; 202,427 tons of P.O.L.; 5,097 tons of pig iron and 3,044 tons of minerals and alloying elements in the industrial rehabilitation programme; and 1,240 tons of edible fats and oils, 796 tons of corn syrup and 4,085 tons of beverages (other than coffee beans) on the food programme.

Continued from Page 3

THE WORK OF UNRRA IN 1946

dresses. Like UNRRA cotton goods, this material will be available only for those in the lower income groups. There will, it is estimated, be sufficient cloth to provide an overcoat, a warm suit or a dress for approximately 16,000,000 people. In addition, we hope to manufacture 2,000,000 woollen blankets and 45,000,000 skeins of knitting wool for pullovers and garments for children and infants—sufficient to make 15,000,000 articles of clothing.

"In all these operations, it must be remembered, UNRRA provides the raw material and

"These are some
UNRRA has helped
the past year. The ber
has been brought in hav
I have spoken of the tex
spun or woven until next
true of many other comm
tilizer and seed, for instance,
has provided, are for *next seas*
full effect of UNRRA's supp
means immediate.

First Stage

"UNRRA's operations represent one first stage in the entire relief plan. The Fund (into which are paid the net proceeds derived from the sale in Italy of UNRRA goods, delivered free of charge to the Italian Government) is steadily growing, and now amounts to 20,000 million lire.

"It is from this fund that money will be available for long-term schemes, such as rebuilding homes damaged or destroyed in the war, malaria control and other health and social welfare projects. Some of these projects have already begun. As a result of the UNRRA-CASAS housing programme, financed by a grant of 1,167 million lire from the Lire Fund and a loan of a further 1,012 million lire, 70,413 needy persons have already been rehoused.

"This Christmas thousands of people in Italy are well who might have been invalids from malaria, but for the work that was done during the year by the Italian Government authorities and UNRRA. Thousands are living in decent homes thanks to the beginnings that have been made this year in rebuilding or repairing dwellings wrecked by the war.

"These are two simple, everyday examples of the further benefits which UNRRA shipments to Italy are bringing, and promise to bring on a still larger scale in 1947. The relief and the rehabilitation of Italy goes on, past the day when UNRRA ends, into a future when Italy, relying more and more on her own resources, takes up the task of restoring her own national economy and rebuilding the country."

"ECONOMIC SURVEY" SUPPLEMENT

This week's issue of Economic Notes *in-*
Supplement on Labour, Prices, Cost

Declassified E.O. 12356 Section 3.3/NND No. 765020
0947

trial rehabilitation supplies imported by UNRRA in November.

Grain and grain products totalled 24,429 tons, as against 20,106 tons received in October. Included in these 24,429 tons were 4,734 tons of wheat flour, 6,951 tons of soya flour, and 1,941 tons of other grains and grain products. Other food shipments to arrive in November included 505 tons of fish, 882 tons of evaporated milk, 2,352 tons of edible fats and oils, 2,799 tons of pulses and 4,578 tons of coffee beans.

Arrivals on the agriculture rehabilitation programme totalled 11,460 tons, including 9,144 tons of nitrates, 2,108 tons of basic slag, 151 tons of farm machinery and 57 tons of seeds.

In the clothing and textile programme, 1,271 tons of raw wool and 2,484 tons of wool rags were received. UNRRA imports of composition rubber soling for shoes amounted to 485 tons and of finished footwear to 33 tons.

Further shipments in transit at the end of November, and for the greater part now unloaded at Italian ports, included 220,575 tons of coal; 202,427 tons of P.O.L.; 5,097 tons of pig iron and 3,044 tons of minerals and alloying elements in the industrial rehabilitation programme; and 1,240 tons of edible fats and oils, 796 tons of corn syrup and 4,085 tons of beverages (other than coffee beans) on the food programme.

Continued from Page 3

THE WORK OF UNRRA IN 1946

dresses. Like UNRRA cotton goods, this material will be available only for those in the lower income groups. There will, it is estimated, be sufficient cloth to provide an overcoat, a warm suit or a dress for approximately 16,000,000 people. In addition, we hope to manufacture 2,000,000 woollen blankets and 45,000,000 skeins of knitting wool for pullovers and garments for children and infants—sufficient to make 15,000,000 articles of clothing.

"In all these operations, it must be remembered, UNRRA provides the raw material and the fuel for the factories. Converting those raw materials into goods—in Italian factories—means jobs for tens of thousands of Italian workers.

I have spoken of the tex
spun or woven until next
true of many other comm
tilizer and seed, for instance,
has provided, are for *next seas*
full effect of UNRRA's supp
means immediate.

First Stage

"UNRRA's operations represent on
first stage in the entire relief plan. The
Fund (into which are paid the net proceed
derived from the sale in Italy of UNRRA goods, delivered free of charge to the Italian Government) is steadily growing, and now amounts to 20,000 million lire.

"It is from this fund that money will be available for long-term schemes, such as rebuilding homes damaged or destroyed in the war, malaria control and other health and social welfare projects. Some of these projects have already begun. As a result of the UNRRA-CASAS housing programme, financed by a grant of 1,167 million lire from the Lire Fund and a loan of a further 1,012 million lire, 70,413 needy persons have already been rehoused.

"This Christmas thousands of people in Italy are well who might have been invalids from malaria, but for the work that was done during the year by the Italian Government authorities and UNRRA. Thousands are living in decent homes thanks to the beginnings that have been made this year in rebuilding or repairing dwellings wrecked by the war.

"These are two simple, everyday examples of the further benefits which UNRRA shipments to Italy are bringing, and promise to bring on a still larger scale in 1947. The relief and the rehabilitation of Italy goes on, past the day when UNRRA ends, into a future when Italy, relying more and more on her own resources, takes up the task of restoring her own national economy and rebuilding the country."

"ECONOMIC SURVEY" SUPPLEMENT

This week's issue of Economic Notes *includes a Supplement on Labour, Prices, Cost of Living and Wages. This is the second Section of the Supplement. The first Section was published with issue No. 37, of 27 September.*

912

Declassified E.O. 12356 Section 3.3/NND No. 765020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(6 - 11 DECEMBER INCLUSIVE)

	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
rn	Savona	6 December	UNRRA	Wool	2,187
	Genoa	" "	"	General	1,054
Rotterdam	"	7 "	"	"	4,417
othnia	Naples	8 "			
	Genoa	13 "	"	"	727
Phaex II	"	8 "	"	Minerals	1,006
Samuel H. Walker	Savona	9 "	"	Wool	1,796
Apollo (1)	Taranto	" "	It. Government	Minerals	1,800
Finland	Genoa	12 "	UNRRA	General	235
Saint Cergue	"	" "	Swiss	Cereals	7,100
Exminster	Naples	14 "	UNRRA	General	2,370
Gudrun	"	" "	"	Minerals	548
				Total tonnage	23,240

NOTE: (1) Also discharged at Crotone

LATEST COAL SHIPMENTS

(7 - 14 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Nyanza	Savona	7 December	Germany	UNRRA	7,138
Walker D. Hines (1)	Reggio Calabria	" "	United States	"	4,500
Ernest W. Gibson	Savona	8 "	" "	"	9,434
Gloria C.	Venice	" "	Yugoslavia	Commercial	550
Stad Haarlem	Savona	9 "	Germany	UNRRA	7,222
Robert Watchorn	Genoa	" "			
	Leghorn	12 "	United States	"	8,907
Jerry S. Foley	Civitavecchia	9 "			
	Piombino	13 "	" "	"	8,878
Ogmore Castle	Civitavecchia	9 "	Germany	"	3,377
Dante	Bagnoli	" "	"	"	7,115
John W. Powell	Venice	10 "	United States	"	8,807
Edward J. Berwind	"	12 "	" "	"	9,315
Thomas Nelson	Civitavecchia	13 "	" "	"	9,009
Alexander W. Doniphan	Naples	14 "	" "	"	8,615
Flagstaff Victory	Bari	" "			

0949
Declassified E.O. 12356 Section 3.3/NND No. 785020

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Gudrun	"	" "	"	Minerals	548
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Edward J. Berwind	"	12 "	" "	"	9,315
Thomas Nelson	Civitavecchia	13 "	" "	"	9,009
Alexander W. Doniphan	Naples	14 "	" "	"	8,615
Flagstaff Victory	Bari	" "	" "	"	8,741
				Total Tonnage	101,608

NOTE: (1) Also discharged at Messina

Declassified E.O. 12356 Section 3.3/NND No. 765020

December 16, 1946 Vol. III, No. 35

ALLIED COMMISSION

WEEKLY BULLETIN

PUBLISHED BY PUBLIC RELATIONS BRANCH, HEADQUARTERS, ALLIED COMMISSION, APO 794

POLITICAL

Construction of the terms of the peace with Italy was finished.

The tortuous negotiations which have characterized all conferences were begun in the deliberations of the Council of Foreign Ministers at London. The recommendations of the Four were thoroughly discussed at the meeting of the 21 nations at the Paris Conference and last week after examining the recommendations of the Conference the Four finally brought their discussions to a close in New York City. On 12 December the Associated Press reported that the Foreign Ministers had decided that the treaty should be signed at Paris on 10 February 1947.

The final sessions of the Council of Foreign Ministers were characterized by the same give and take that has marked all deliberations. For example in the matter of reparations Molotov won his point on the raising of the amount to be given to Yugoslavia by Italy and also managed to gain reparations for Albania. On the other hand an Anglo-American proposal to limit the benefits of the treaty to signatory powers was accepted.

Final decision on reparations resulted in an addition of 35 million dollars to the bill which Italy will be called upon to pay. As recommended by the Paris Conference she would have given 100 million dollars to Russia, 100 million dollars to Yugoslavia, 100 million dollars to Greece and 25 million dollars to Ethiopia. Albania was left out of reparations consideration at the Paris Conference with the inference that this country could recoup any losses through liquidation of Italian property in Albania under article 69 of the treaty.

Italian reparations now amount to 360 million dollars as compared with the previous 325 million. At the meeting of the Ministers on 5 December Molotov had insisted on payment of 10 million dollars to Albania. Byrnes and Bevin are reported to have held out against this proposal [illegible] that the Paris Conference had reduced to 5 million dollars. The other allowances approved in addition to the 100 million dollars already granted to Russia were 125 million dollars to Yugoslavia and 105 million dollars to Greece. The figure of 25 million dollars to Ethiopia was left unchanged. According to nearly all newspapers, discussion of Italy's reparations was closely tied up with those of Bulgaria who had her war bill cut 50 million dollars from the amount approved by the Paris conference. Bulgaria will pay 45 million dollars to Greece and 25 million dollars to Yugoslavia.

Reaction to Reparations.

As might be expected the news of the reparations was received gloomily by the Italian press. Most papers took the attitude that Albania had profited from Italian occupation to the extent of 100 million dollars in the development of ports, roads, schools, etc. *Giornale della Sera* for example headed the news with "Our civilizing the Albanians valued at 100 million dollars." *Risorgimento Liberale* noted "A gracious present to Albania". *Momento* declared "The 'compromises treaty' concluded to Italy's complete detriment".

As to the receipt of benefits from the treaty, one of the agreements reached by the Four at the later sessions was that providing for the exclusion from such benefits of any nation not accepting the treaty in full. This clause was first proposed at Paris when Yugoslav delegates stated that their country would refuse to sign the treaty as it stood then. Although nothing has been reported since, of a prospective Yugoslav refusal to sign the treaty, in the event that this country refused to sign she would not be eligible for reparations from Italy under the terms of the document as now adopted.

Trieste which had been a consistent stumbling block throughout the negotiations was the subject of Big Four attention to the very end. Reuters reported that at the meeting of 7 December the following resolutions were adopted: (1)

971

0951 Declassified E.O. 12356 Section 3.3/NND No. 785020

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Italian reparations now amount to 360 million dollars as compared with the previous 325 million. At the meeting of the Ministers on 5 December Molotov had insisted on payment of 10 million dollars to Albania. Byrnes and Bevin are reported to have held out against this proposal pointing out that the Paris Conference had rejected all reparations to Albania. The final outcome of the discussion however found reparations allowed to Albania although these reparations were reduced to 5 million dollars. The other allowances approved in addition to the 100 million dollars already granted to Russia were 125 million dollars to Yugoslavia and 105 million dollars to Greece. The figure of 25 million dollars to Ethiopia was left unchanged. According to nearly all newspapers, discussion of Italy's reparations was closely tied up with those of Bulgaria who had her war bill cut 50 million dollars from the amount approved by the Paris conference. Bulgaria will pay 45 million dollars to Greece and 25 million dollars to Yugoslavia.

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Trieste which had been a consistent stumbling block throughout the negotiations was the subject of Big Four attention to the very end. Reuters reported that at the meeting of 7 December the following resolutions were adopted: (1) railways would be controlled jointly by Italy, the Free Territory's Administration and Yugoslavia; (2) The United Nations would be called upon to

971

Declassified E.O. 12356 Section 3.3/NND No. 785020

cooperate in financing the provisional government of the Free Territory; (3) neither Italy nor Yugoslavia would be allotted exclusive zones of the Free Port but both would be granted anchorage facilities; in addition it was decided that details as to disposition of Italian naval ships under the treaty would be kept secret for the present.

It was reported by *Momento* that at the meeting of the Four on 10 December the final loose ends of the Trieste Statute were agreed upon. These included the following: (1) The Free Territory is prohibited from entering into any exclusive economic union with any other country; (2) Control of the Free Port will be vested in an International Commission in which Italy will have membership; and (3) the Governor of the Territory will be neither Italian nor Yugoslav.

As the meetings drew to a close there was no indication that consideration had been given to a request by Italy to be permitted to have Italian troops included in the provisional military force that will police the Free Territory until the Governor decides its presence is no longer necessary.

Italian Sentiment.

The peace treaty was finished but Italian sentiment was not complacent. *Buonsenso* called for the inauguration of a "moral campaign" for its revision and in the course of an interview granted by Nenni to Reuters, the Italian Foreign Minister in reference to his proposed visit to London said: "I shall stay in London long enough to discuss thoroughly Anglo-Italian relations resulting from an unhappy war and from a peace without justice. I shall also talk about the Italian colonies, hoping that next year Italy shall be allowed to administrate her colonies on behalf of the United Nations".

Turmoil, back-biting and harsh polemics still continued to characterize the realm of party politics. For one hour on 11 December, the City of Rome had a mayor but at the conclusion of the meeting of the City Council the various parties were confronted with the same impasse. Following the failure of either the leftist People's Block or the Uomo Qualunque to obtain the necessary majority at the City Council meeting of 4 December due to the abstention of the Christian Democrats from the voting, it had been suggested by the rightist parties that a mayoral junta be formed composed of proportional representatives of the various parties. This had been rejected. Christian Democrat was elected mayor with 41 votes. Socialist Giuseppe Romita, Minister of Public Works received 34 votes from the leftist group and one vote was cast for Giovanni Selvaggi a Republican. Following elections for the Mayor, the City Council proceeded to election of the members of the junta. In line with its decision to support a proportional governing body the Christian Democrats voted in six members of the left parties after a right and center majority had been guaranteed with the election of three qualunquisti, two Christian Democrats, one Monarchist, one Liberal and one representative of a business men's group. The six leftist electees, however refused to serve. The others thereupon followed suit and Rebecchini himself resigned. The next meeting of the City Council will take place on 23 December.

Party Leaders.

The Rome mayoralty difficulties served to whip up the party polemics to a new pitch. But while there were the usual bitter articles set forth in resounding type by the various editors it seemed evident that neither the Christian Democrats nor the Communists were particularly desirous of a definite crisis in the national government. On 8 December, De Gasperi declared that tripartism was not dead, in an interview granted to the editor of Torino *Nuova Stampa*. The same day *Messaggero* reported that the Directorate of the Christian Democrat Party had acknowledged that no Government formula other than the present one could result from a Governmental crisis.

But one of the most significant statements was made by Palmiro Togliatti during a speech delivered at Ferrara on 8 December. In the course of his address the Communist leader distinguished between political action indicated by the phrase "conquest of power" and that represented by "democratic conquest of the majority". He declared that the Socialists and Communists should emphasize the latter which best indicated their political aims and the methods by which they hoped to achieve them. He asserted that even should the united parties be successful in winning the majority in parliament they intended to collaborate fully with Christian Democracy. Togliatti declared flatly that the Communists did not desire to crush the Christian Democrat Party but only a clarification of that party's policy. He called upon the Christian Democrats to abandon

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In the meantime the sentiment for elections next May or June was growing. To accomplish this Italy needed a Constitution. On 10 Decem-

0955

Declassified E.O. 12356 Section 3.3/NND No. 785020

TO SEE:-

PA to GOC

Dep Comd

B.G.S.

Col A/G

G-1 (SD)

G-1 (Org)

G-1 (CO. RE)

A.D.M.S.

Dep G-3

G-2(Int)

HDS T

of formation flying and simulated attacks by fighter bombers on the airfield.

The Air Officer Commanding RAF Italy, Air Vice Marshal L. Darvall, C. B., M. C., was accompanied by the Director of the Air Forces Sub-Commission Air Vice Marshal I. E. Brodie, O. B. E., the Deputy Director Lt. Col. F. E. Marek, the B. G. S. of the Military Mission to the Italian Army Brigadier M. W. Hope D. S. O. and the U. S. Air Attaché Col. B. E. Glawe.

This was perhaps the first time since the cessation of hostilities that senior officers of the three Italian services were present at a flying demonstration given by the Italian Air Force.

The Chief of Staff of the I. A. F. Gen. Mario Ajmone-Cat and the Commander of Unità Aeree Gen. G. Gaeta were present and among the hundred or so visiting Italian officers and cadets were the Comandant of the Military Academy, the General Commanding at Bari, Gen. Luzzi from the War Ministry and the Admiral Commanding at Brindisi.

The visitors arrived at 1030 and were introduced to the I. A. F. personnel and Italian Army Cadets who were paraded on the airfield. This was followed by a tour of the three Fighter Wings, the station workshops, the Pilot Training School, the S. R. A. M's and the airmen's recreation rooms.

At 1130, the visitors went to the control tower for the flying display. P 38 (Lightnings), Macchis and C. R. 42s were flown in the display.

The flying display was to have included formation flights by the Macchis and Lightnings, dive bombing attacks on the airfield by the Macchis, low level straffing by the Lightnings and an intereception of twin engined aircraft by single engined fighters. Unfortunately the weather was bad and low clouds and heavy showers considerably curtailed the planned program; for example the display of aerobatics which had been planned for the Macchis could not be carried out and was replaced by a low level formation fly past, but 3 C. R. 42's of the Pilot School gave a shortened display of certain easier formation aerobatics.

LAND FORCES SUB-COMMISSION (MMIA)

For some time past this Mission has been discussing with the Italian Military Authorities the matter of the reorganization of the Ministry of War. Certain proposals were drawn up and conference with the Minister for War to discuss the proposals. The Minister for War agreed to examine the proposals in detail.

Ever since the 1922, '23 and '24 classes were demobilized there has been a serious shortage of NCO Tradesmen and Specialists in the Italian Army. This has become a serious problem and so long as the Long Service regular element of the Army remains so small in proportion to the 12 months conscript element it must remain a problem, financial reasons being the great bar to solution.

Hitherto, Territorial Commands have had one officer doubling the duties of Welfare Officer and Public Relations Officer. This has proved unsatisfactory since the two Directorates are separate in Rome, and the Officer at Territorial Command has been endeavoring to serve two superiors. It has been suggested to the Ministry of War that Territorial Commands require two officers for these duties.

DISPLACED PERSONS DIVISION

Weekly strength returns from the Refugee Centers administered by this Division are not yet complete for the period ending 7 December 1946, but it is evident, from figures so far at hand, that the total number of Displaced Persons in the 14 Centers varies little from the cumulative total quoted in *A. C. Weekly Bulletin* of 9 December 1946.

After some eight months of negotiations, Germans held at Bolzano have been officially accepted by the Authorities in Germany. Details of the move have not yet been completed, but it is hoped to backload the Germans on trains bringing Italian repatriates from Germany.

During November, 1,100 Italians were returned to Tripolitania of which 600 were children and the rest dependents of employees of the British Military Administration of that territory. Repatriates from Eritrea and Somalia arrived at Naples late last month and the first person for person exchange between Tripolitania and Italy occurred during November 1946.

ODDS AND ENDS

Lt. Col. J. E. Regis, (A), (MMIA, Italian prisoners-of-war Division) has been transferred to Headquarters, P. B. S.

Lt. Col. J. Nenrod (A) (Displaced Persons

970

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Maj. D. M. Chapman, (A), (Archives Division) has left for the United States for reassignment.

0657
Declassified E.O. 12356 Section 3.3/NND No. 785020

ber the Constituent Assembly unanimously adopted 31 January 1947 as the deadline for completion of the draft of the charter.

ECONOMIC FRONT

The Economic Division reported this week that as of 9 December 1946, 611,710 tons of wheat were available in Italy. The daily consumption rate has now been reduced to 11,631 tons due to the reduction of pasta rations from 2,000 grams to 1,000 grams monthly, effective 1 December. The amount on hand as of 9 December will meet requirements for approximately 55 days from that date providing transportation is available to move the stocks.

The total availability of coal as of 1 December including that already shipped stood at 704,000 tons and with an estimated consumption during the month, of 400,000 tons there will remain on had as of 31 December approximately 304,000 tons. It was reported that the Italian Government and UNNRA consider that a minimum consumption of 600,000 tons per month is necessary to avoid a set-back in the Italian industrial rehabilitation program after several months of gradual improvement.

Italian civilian P. O. L. stocks were reported as follows: motor gasoline 26 days, diesel oil 20 days, kerosene 32 days and fuel oil 54 days. A tanker with 130,000 barrels of motor gasoline arrived at Genoa, 9 December and several other tankers loaded with both gasoline and diesel oil are expected to arrive in the next week or two. Two tankers carrying crude oil from Arabia arrived at Bari during the past week. More than a third of the two million barrels of crude oil purchased by UNNRA has now been brought into the country.

In the case of power the Economic Division reported that the hydroelectric situation in Central and Southern Italy was improving slightly but that the water storage in the Sila reservoir group, Southern Italy remains at a very low level. The thermal plants at Naples and Rome are both working to capacity.

ARCHIVES DIVISION

With the work of the Allied Commission continuing in operation, the handling and disposition of the files of the Commission is a problem of great importance. The importance of the task may be estimated by the fact that the number of records to be checked, screened, catalogued, microfilmed and stored will run into many millions.

Allied Commission records fall into two general groups: (*a*) those of the Headquarters, (*b*) those of the Regions of AMG AC and various Liaison organizations. Headquarters files present a particular problem in that they must be processed in a manner to allow for their continued reference, while at the same time requirements for microfilming must be fulfilled.

At the present time although a large part of the Headquarters files have been received, classified and stored pending further processing preparatory to microfilming, the Division is concentrating on the final disposition of the Regional files (*b*). These files require special handling due to their nature as AMG Military documents in use during the early months of occupational activities.

It has been found that when screened (in accordance with policy directives issued by the Combined Chiefs of Staff through AFHQ and the Allied Commission) the gross total of Regional documents has been reduced by twenty to thirty percent. This is brought about by the elimination of matter having no legal or historical value to the subject at hand.

To facilitate smooth and efficient handling of such a large mass of records, a production line system has been set up by the "Final Screening" Section of the Archives Division. This line is composed of from five to eight teams of three or four persons.

The number of teams is controlled by the nature of the documents being processed. In the course of passing through the hands of the team-members, the file is first closely scanned to eliminate duplicates, carrier notes, letters of transmittal, acknowledgements of receipt and other matter having no value to the continuity of the documents. A new file cover is prepared and all documents in the file are numbered consecutively from rear to front. The file is then bound to conform to the uniformity of the series and boxed to facilitate microfilm processing.

At the end of the production line is the Final Checking and Cataloguing Section. Here a revised list of contents is prepared for each box and the box of files finally inspected, nailed down and labelled. These boxes are then forwarded to

Declassified E.O. 12356 Section 3.3/NND No. 785020

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ARCHIVES DIVISION

With the work of the Allied Commission continuing in operation, the handling and disposition of the huge mass of records assembled in the past should not be overlooked. This important work is being performed by the Archives Division of the Allied Commission and the size and importance of the task may be realized when it is known that the Allied Commission records fall into many millions.

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Declassified E.O. 12356 Section 3.3/NND No. 765020

Other sections of Archives are equally important. The "R" Section for receiving and recording all incoming documents; the "S" Section which accepts, furnishes and follows up all calls for files on loan and the Cardex Section which, as a cross-section of all files indexed under the *function* to which a file refers, will materially assist the historian.

ALCOM Archives requires a considerable staff. Its Officers are joint British and American and besides an equal number of military personnel, there is a group of trained Italian civilians carrying out the work in each section.

COMMUNICATIONS DIVISION

Cable services.

Resumption of communication service over the Rome-Barcelona submarine cable in November marks the first major step in the restoration of the Italian controlled submarine cable system. Repairs to this cable required several months as there is only one Italian cable repair ship available for repairs.

Submarine cable communication services to and from Italy before the war included service between Rome and Messina, Rome and Barcelona, Rome and Malaga, Rome and Horta, Azores, Rome, Lisbon and Belgium, Rome and Rio de Janeiro, Montevideo, and Buenos Aires. All cable communications were relayed through Malaga. However transmissions over Italian controlled cable extended to the points listed.

Cables to North America were transferred to the lines of other companies at Horta, Azores. Horta likewise was the point of transfer to other cable communication systems.

Disruption of cable communications is one of the first acts of war. Conversely, restoration of cable systems constitutes one of the last points upon which agreement is reached. Occupying powers must use undestroyed communication facilities for control of occupational forces and existing submarine cable constitutes one good facility that may be used.

Disruption and restoration of Italian cable has followed the usual pattern. Cables were cut early in the war to stop communications between enemy countries. Practically all cables controlled by Italy were severed in the Atlantic or in the Mediterranean near Malaga, before Italy became a Gibraltar cable. The Malaga-Horta cable was severed and separate portions used in the Rome-Gibraltar and Gibraltar-Horta cables. The Malaga-Lisbon-Belgium cable was severed and used to form the Gibraltar-Porteurnow (U. K.) cable. The Malaga-Rio de Janeiro cable was severed. The Rio de Janeiro-Buenos Aires cable was siezed and operated by the Brazilian Government. At the time of Italy's joining the Allies as a cobelligerant Italy's only cable ship capable of efficient service in Atlantic waters, was sunk. Terminal equipment was removed by the withdrawing enemy and never recovered. Other equipment was destroyed beyond repair.

From this low point of absolute zero in cable communications the Italian Government and the engineers and managers of Italcable have made herculean strides in restoring cable services. The Rio de Janeiro-Buenos Aires cable has been returned to its Italian owners, repaired and continued in operation. The Rome-Barcelona cable has been repaired and cable services resumed between Rome and Barcelona. Italcable is recovering the unused Rome-Naples portion of the Rome-Messina cable for use in the repair of other cable. Authority has been requested and obtained for the repair of the Barcelona-Malaga cable. This repair will be undertaken as soon as the one available cable ship is released from other work.

Meanwhile cable communication services are available through various channels. Cable and Wireless, operating over Italcable's cable between Rome and Horta, is prepared to furnish cable communication service to the Horta communications center. Italcable transmits telegrams by land line to Paris and by radiotelegraph to Lima for transfer to cable services.

In preparation for continued restoration of the cable system, Italcable is endeavoring to obtain a cable ship suitable for operation in Atlantic waters. It also has made official requests through appropriate channels for return of all of its facilities. As a last resort to be used only if necessary, preliminary discussion have been undertaken to obtain cable and agreements for financing and laying new cable wherever the old cable cannot be restored to Italian control and use.

AIR FORCES SUB-COMMISSION

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Declassified E.O. 12356 Section 3.3/NND No. 765020

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AIR FORCES SUB-COMMISSION

On Wednesday 11 December 1946 a demonstration was staged by the Italian Air Force for the benefit of Senior Allied and Italian officers at the I. A. F. base at Lecce. The program consisted of an inspection of the base followed by a display

0961
Declassified E.O. 12356 Section 3.3/NND No. 785020

of formation flying and simulated attacks by fighter bombers on the airfield.

The Air Officer Commanding RAF Italy, Air Vice Marshal L. Darvall, C. B., M. C., was accompanied by the Director of the Air Forces Sub-Commission Air Vice Marshal J. E. Brodie, O. B. E., the Deputy Director Lt. Col. F. E. Marek, the B. G. S. of the Military Mission to the Italian Army Brigadier M. W. Hope D. S. O. and the U. S. Air Attaché Col. B. E. Glawe.

This was perhaps the first time since the cessation of hostilities that senior officers of the three Italian services were present at a flying demonstration given by the Italian Air Force.

The Chief of Staff of the I. A. F. Gen. Mario Ajmone-Cat and the Commander of Unità Aerea Gen. G. Gaeta were present and among the hundred or so visiting Italian officers and cadets were the Comandant of the Military Academy, the General Commanding at Bari, Gen. Luzzi from the War Ministry and the Admiral Commanding at Brindisi.

The visitors arrived at 1030 and were introduced to the I. A. F. personnel and Italian Army Cadets who were paraded on the airfield. This was followed by a tour of the three Fighter Wings, the station workshops, the Pilot Training School, the S. R. A. M's and the airmen's recreation rooms.

At 1130, the visitors went to the control tower for the flying display. P 38 (Lightnings), Macchis and C. R. 42s were flown in the display.

The flying display was to have included formation flights by the Macchis and Lightnings, dive bombing attacks on the airfield by the Macchis, low level straffing by the Lightnings and an interception of twin engined aircraft by single engined fighters. Unfortunately the weather was bad and low clouds and heavy showers considerably curtailed the planned program; for example the display of aerobatics which had been planned for the Macchis could not be carried out and was replaced by a low level formation fly past, but 3 C. R. 42's of the Pilot School gave a shortened display of certain easier formation aerobatics.

LAND FORCES SUB-COMMISSION (MMIA)

For some time past this Mission has been discussing with the Italian Military Authorities the matter of the reorganization of the Ministry

conference with the Minister for War to discuss the proposals. The Minister for War agreed to examine the proposals in detail.

Ever since the 1922, '23 and '24 classes were demobilized there has been a serious shortage of NCO Tradesmen and Specialists in the Italian Army. This has become a serious problem and so long as the Long Service regular element of the Army remains so small in proportion to the 12 months conscript element it must remain a problem, financial reasons being the great bar to solution.

Hitherto, Territorial Commands have had one officer doubling the duties of Welfare Officer and Public Relations Officer. This has proved unsatisfactory since the two Directorates are separate in Rome, and the Officer at Territorial Command has been endeavoring to serve two superiors. It has been suggested to the Ministry of War that Territorial Commands require two officers for these duties.

DISPLACED PERSONS DIVISION

Weekly strength returns from the Refugee Centers administered by this Division are not yet complete for the period ending 7 December 1946, but it is evident, from figures so far at hand, that the total number of Displaced Persons in the 14 Centers varies little from the cumulative total quoted in *A. C. Weekly Bulletin* of 9 December 1946.

After some eight months of negotiations, Germans held at Bolzano have been officially accepted by the Authorities in Germany. Details of the move have not yet been completed, but it is hoped to backload the Germans on trains bringing Italian repatriates from Germany.

During November, 1,100 Italians were returned to Tripolitania of which 600 were children and the rest dependents of employees of the British Military Administration of that territory. Repatriates from Eritrea and Somalia arrived at Naples late last month and the first person for person exchange between Tripolitania and Italy occurred during November 1946.

970

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Declassified E.O. 12356 Section 3.3/NND No. 785020

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Ever since the 1922, '23 and '24 classes were demobilized there has been a serious shortage of NCO Tradesmen and Specialists in the Italian Army. This has become a serious problem and so long as the Long Service regular element of the Army remains so small in proportion to the 12 months conscript element it must remain a problem, financial reasons being the great bar to solution.

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Declassified E.O. 12356 Section 3.3/NND No. 785020

The following American officers left the Allied Commission during the past week, to return to the United States, for discharge from the Armed Forces: Maj. A. C. Kepplinger, (Air Forces Sub-Commission); Lt. Henry H. Hagan, (Air Forces Sub-Commission); and Lt. Paul Cole, (Displaced Persons Division).

The following American officers, recently transferred to the 7106th Regiment, have been assigned to sections as indicated: Capt. Willis B. McCarthy, (Headquarters Company); Capt. Dudak Langerak, (S-1 Section); Capt. Roy C. McCracken, (Archives division); Capt. Jack Wallace, (Economic Division); and 2nd Lt. Billy L. Rowland, (Motor Transport Section).

* * *

Under the provisions of Letter Headquarter MTOUSA, File AG 200.6-126 P-O, dated 6 December 1946, personnel assigned, or permanently attached to and present for duty for 30 consecutive days with the 2675th (now 7106th) Allied Commission Regiment, between 1 July 1946 and a date to be announced later, are eligible for the Army of Occupation Medal.

* * *

Jr-Comd. M. T. Bourne, (Displaced Persons Division) recently returned to the Allied Commission from leave to the United Kingdom.

Declassified E.O. 12356 Section 3.3/NND No. 785020

December 13, 1946 Vol. I, No. 48

ECONOMIC NOTES

Published Weekly in English and Italian

— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolò da Tolentino, 78, Rome —

CONTENTS

1. UNRRA Medical Programme Goes Well
2. UNRRA Exhibition in Rome
3. Industrial Raw Materials
4. Chestnut Blight
5. Tractor Imports
6. Movements of Ships

UNRRA MEDICAL PROGRAMME GOES WELL

Reports from UNRRA Regional offices indicate that the essential needs of the hospitals have now been largely met. The chief deficiencies, both of general equipment and common medical supplies, have been made good, and the majority of the hospital pharmacies are now well stocked with UNRRA drugs.

UNRRA's programme of medical and sanitary supplies for Italy totals 7,000 tons, of which 6,540 tons have already arrived and have mostly already been distributed through the High Commissariat for Public Health and Hygiene.

The first general distribution of medical relief supplies, totalling 140 tons was completed last Spring. It included drugs, insulin, penicillin, narcotics, surgical instruments, absorbent cotton, toilet and laundry soap and chloride of lime.

Largest Distribution

The second and third general distributions, totalling 604 tons and 521 tons respectively, were completed last August (see *Economic Notes* No. 31, of 16 August, 1946). The first part of the fourth general distribution was completed in October, and delivery of the

With the delivery of three 40-bed hospital units in November, one each to the towns of Cava dei Tirreni, Legnano and Venafro, the planned distribution of six 200-bed and 35 forty-bed hospital units was completed. In addition, beds and mattresses were delivered during November, to hospitals in Valdobiadene, Cavo (Elba), Pontedera and Brescia.

Hospital units include, sheets and pillow-cases, as well as beds and mattresses, surgical equipment, an operating table, an autoclave for sterilizing, drugs, soap and kitchenware.

23 More Laboratory Units

During the past three months 23 laboratory units were delivered to Civitavecchia, Minturno, Fondi, Foggia, Brindisi, Cagliari, Salerno, Caserta, Avellino, Piacenza, Milan, Brescia (which received two units), Genoa, La Spezia, Apuania, Lucca, Pisa, Siena, Chieti, Terni, and Teramo. With these deliveries, the number of laboratory units so far distributed now totals 32. In each instance, laboratory units were allocated to a hospital, or provincial laboratory where a staff of trained technicians was already installed, so that the maximum benefit could be derived from the material and equipment provided.

969

0965 Declassified E.O. 12356 Section 3.3/NND No. 765720

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— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolò da Tolentino, 78, Rome —

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UNRRA laboratory units include a large variety of chemicals, re-agents and drugs, test-tube cultures, surgical instruments, microscopes and micro-slides, thermometers, surgical dressings and equipment.

969

Declassified E.O. 12356 Section 3.3/NND No. 785020

In addition to distributing complete hospital units and medical supplies, UNRRA has helped to restore the hospitals by providing sheets, towels and pillow-cases. From the beginning of the programme in 1945 up to 25 November, 1946, approximately 5,721,894 square metres of UNRRA cotton goods had been delivered for use in hospitals and institutions.

A total of 51 UNRRA ambulances have been distributed during the past three months to medici provinciali, hospitals or other institutions in the following towns: Bari, Perugia, Teramo, Latina, Arezzo, Benevento, Naples, Frosinone, Florence, Chiusi, Pescara, Belluno, Siena, Chieti, Udine, Campobasso, Lecce, Brindisi, and Foggia. This distribution is the second to be made by UNRRA, which last year delivered 85 ambulances to 66 towns in Italy, Sicily and Sardinia.

National Health Improves

General results are reflected in improved health conditions throughout the country. The following statistics for the commune of Rome show the decline in mortality, particularly infantile mortality, since the peak years of 1943, 1944 and 1945. The figures refer to the first six months of the years indicated:

	Death Rate per 1,000 population	Infant Mortality Rate per 1,000 live births	Tuberculosis Death Rate per 10,000 population
1940 . . .	11.61	75.13	12.21
1941 . . .	11.01	69.93	12.77
1942 . . .	12.28	83.84	17.25
1943 . . .	12.27	88.54	20.42
1944 . . .	19.52	121.40	25.01
1945 . . .	12.54	108.95	18.05
1946 . . .	11.18	75.15	17.45

Supplies for the fight against tuberculosis are still coming in. Distribution of 262 dozen X-ray films, chest size, valued at approximately 34,400 dollars (£8,600 sterling) has been completed, and the High Commissioner for Public Health and Hygiene has been requested to submit a distribution plan for a further 2,520 dozen X-ray films. So far 14 X-ray sets have been distributed.

With regard to penicillin and insulin, every effort has been made to procure sufficient quantities. Despite limited production and heavy demand, 49,796,700,000 units of penicillin and Hygiene has arranged for crystalline insulin imported by UNRRA to be processed and packed for future distribution, in order to maintain the supply of this essential drug.

Penicillin Supplies

It is hoped that 20,000 million units of penicillin will in future be available every month. These will be handed over to the Government, in accordance with normal procedure, for distribution to hospitals, clinics and medical institutions. The quantity involved is considered to be sufficient to meet all essential needs. It is imperative, however, that distribution should be controlled so as to avoid wastage, and to ensure that only those persons whose need for the drug is vital obtain it—through the proper channels.

The practical details of the plan for the establishment of a penicillin factory in Italy are being discussed between the Italian authorities and the UNRRA Italy Mission, and the first part of the equipment has already been shipped. As previously reported in *Economic Notes*, two Italian experts were sent to Canada, to study manufacturing processes at a plant in Toronto. They also visited the United States and England to obtain information on the latest methods of penicillin production, before they returned to Italy in November.

Special distributions completed during October and November included 10,624 nurses' uniforms. These were allocated to Public Health nurses throughout Italy, and to nurses' training schools. A distribution plan for 300,000 UNRRA layettes has been approved, and the first 4,000 layettes are expected to be distributed this month.

Disinfestation Programme

The UNRRA national disinfestation programme for prisons and penitentiaries, and institutions for the sick, the aged and the poor, is making good progress in the majority of provinces. The work is being carried out, under the medici provinciali, by squads trained by engineers of the Sanitary Section of the UNRRA Health Division. The Division has distributed to the medici provinciali 20 tons of

Declassified E.O. 12356 Section 3.3/NND No. 765020

sheets, towels and pillow-cases. From the beginning of the programme in 1945 up to 25 November, 1946, approximately 5,721,894 square metres of UNRRA cotton goods had been delivered for use in hospitals and institutions.

A total of 51 UNRRA ambulances have been distributed during the past three months to medici provinciali, hospitals or other institutions in the following towns: Bari, Perugia, Teramo, Latina, Arezzo, Benevento, Naples, Frosinone, Florence, Chiusi, Pescara, Belluno, Siena, Chieti, Udine, Campobasso, Lecce, Brindisi, and Foggia. This distribution is the second to be made by UNRRA, which last year delivered 85 ambulances to 66 towns in Italy, Sicily and Sardinia.

National Health Improves

General results are reflected in improved health conditions throughout the country. The following statistics for the commune of Rome show the decline in mortality, particularly infantile mortality, since the peak years of 1943, 1944 and 1945. The figures refer to the first six months of the years indicated:

	Death Rate per 1,000 population	Infant Mortality Rate per 1,000 live births	Tuberculosis Death Rate per 10,000 population
1940 . . .	11.61	75.13	12.21
1941 . . .	11.01	60.93	12.77
1942 . . .	12.28	83.84	17.25
1943 . . .	12.27	88.54	20.42
1944 . . .	19.52	121.40	25.01
1945 . . .	12.54	108.95	18.05
1946 . . .	11.18	75.15	17.45

Supplies for the fight against tuberculosis are still coming in. Distribution of 262 dozen X-ray films, chest size, valued at approximately 34,400 dollars (£8,600 sterling) has been completed, and the High Commissioner for Public Health and Hygiene has been requested to submit a distribution plan for a further 2,520 dozen X-ray films. So far 14 X-ray sets have been distributed.

With regard to penicillin and insulin, every effort has been made to procure sufficient quantities. Despite limited production and heavy demand, 49,796,700,000 units of penicillin, 290,000 vials of insulin and 176,116,000 units of crystalline insulin, to be processed and vialled in Italy, had been distributed to the medical authorities by the end of October. The High Commissioner for Public Health

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Declassified E.O. 12356 Section 3.3/NND No. 765020

Future plans for a national campaign against tuberculosis, malaria and trachoma eye disease, are well advanced. Schemes are also in course of preparation for the treatment and control of ankylostomiasis (hookworm), and for the improvement and development of nurses' training schools.

Trachoma Control

For the control of trachoma it is proposed to inaugurate a five-year programme, to be financed from the Lire Fund, which will provide for the treatment of an estimated total of 934,000 cases (of whom 234,000 are children in the acute stage of the disease) in those areas of Sicily, Sardinia and Southern Italy where trachoma is specially rife. The scheme is at present undergoing slight modifications, and will be submitted for the approval of the High Commissioner for Public Health and Hygiene and the UNRRA Italy Mission as soon as it is completed.

The five-year plan for malaria control in Italy and Sicily (see *Economic Notes* No. 43 of 8 November, 1946) will be administered by the High Commissioner for Public Health and Hygiene. This scheme may also be financed by a contribution, estimated at over 1,000 million lire, from the Lire Fund. The Lire Fund Control Committee has agreed that 100,000,000 lire from the 1947 allotment should be appropriated immediately, in order that essential transport and equipment may be purchased without delay, ensuring prompt commencement of the programme at the beginning of the 1947 malaria season.

UNRRA EXHIBITION IN ROME

An exhibition of UNRRA activities in Italy, sponsored by the UNRRA Italy Mission and the Italian Government Delegation for Relations with UNRRA, was opened at the Palazzo Venezia, in Rome, last Sunday, and will remain open until 15 January. Admission is free and the exhibition is open daily (including Sundays) from 10 o'clock in the morning until 9 o'clock in the evening. Attendance on the opening day was over 8,000.

The exhibition is designed to illustrate what goods UNRRA supplies, how those goods are

On view are samples of the actual goods delivered—foodstuffs distributed by the Government to the population through relief organizations, or through the normal rations; coal; equipment, fertilizers and seed for agriculture; cotton, wool and other industrial supplies; medical supplies; and clothing and shoes collected for needy Italians in the United States and Canada. Photos and illustrations explain the system of distribution of these goods from the time of arrival until final consumption.

Part of the exhibition illustrates the activities of the Italian Government Delegation for Relations with UNRRA, which is specially concerned with the distribution of UNRRA supplies, and with welfare assistance to mothers and children, meals in schools and summer colonies.

INDUSTRIAL RAW MATERIALS

About 20,000 tons of UNRRA—imported industrial raw materials, including natural rubber, lumber and fire clay, and about 109 tons of pharmaceutical raw materials, also imported by UNRRA, will be allocated in January by the Italian Government—it is announced by the Central Industrial Commission.

These commodities are part of the 45,000 tons of UNRRA raw materials available for distribution to industry in January. They will (as stated in *Economic Notes* last week) be allocated to firms engaged in essential production, in accordance with the national importance of the products to be manufactured.

Firms desiring allocations should at once complete application forms, obtainable at the local UPIC (Ufficio Provinciale Industria e Commercio), and return them to UPIC for forwarding to the respective Sub-Commissions of the Central Industrial Commission.

On completion of the allocation plan, firms receiving allocations will be informed of the terms of delivery.

The following are the quantities and specifications of the materials available:

RUBBER MANUFACTURE AND SUNDRY

Sanocure:

2 tons (equal to the catalizer "Monsanto").

Crude rubber:

Declassified E.O. 12356 Section 3.3/NND No. 765020

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The exhibition is designed to illustrate what goods UNRRA supplies, how those goods are distributed and, finally, how the Italian people will benefit from expenditure of the Lire Fund, which is derived from the sale of UNRRA goods delivered free of charge to the Italian Government.

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On completion of the allocation plan, firms receiving allocations will be informed of the terms of delivery.

The following are the quantities and specifications of the materials available:

Rubber Manufacture and Sundry

Sanocure:
2 tons (equal to the catalizer "Monsanto").

Crude rubber:
One month's allocation. Smoked, crude rubber sheets.

Carbon black:
1,300 tons, divided as follows:— Furnace black, semi-reinforcing, 775 tons; Furnace black, high modulus, 175 tons; Channel black, 350 tons.

Declassified E.O. 12356 Section 3.3/NND No. 785020

Lumber:
3,578 tons.

Fire clay:
3,000 tons of the following types:— Type V2, containing 37.23 % Al_2O_3 and 2.33 % Fe_2O_3; Type V3, containing 33.5 % Al_2O_3 and 2.06 % Fe_2O_3.

Plastic clay:
1,100 tons, containing from 35 % to 38 % alumina.

Kaolin:
1,000 tons, composed as follows:— alumina 37 % to 39 %; iron oxide 1 %; titanium oxide 1 %; magnesium oxide 0.5 %; calcium oxide 0.5 %; alkaline oxides 3 %. Loss of weight, at 950° C., 15 %.

Xylol nitration:
150 tons—5 % distilling at 138° C. and 95 % at 144° C.

Solvent naphtha:
380 tons. Specific gravity 0.839. Initial boiling point, 120° C. End boiling point, 172° C. 92 % distilling at 160° C. Traces of water. Colourmetric test positive neutral.

Shellac:
62 tons.

Petroleum coke calcined:
4,312 tons.

Colophony:
900 tons.

Magnesite bricks:
417 tons.

PHARMACEUTICAL

Acetone	6,531	kilograms
Codeine phosphate	23.68	..
Codeine sulphate	56.7	..
Corn syrup	3,454	..
Opium blocks	1,814	..
Emetina	10	..
Theobromine	100	..
Toluol	2,133.7	..
Progesterone	1	..
Papaverine	90.7	..
Liver extract	897	..
Belladonna leaves	1,015	..
Belladonna roots	191.5	..
Methyl alcohol	7,380	..
Ethyl alcohol	800	quintals
Ascorbic acid	50	..

CHESTNUT BLIGHT

If the chestnut blight now spreading through Italian woods causes as much damage proportionately, as it has in the United States, Italy will be faced with an annual loss of food and timber estimated at some 14,500 million lire. This is the conclusion reached by Professor

Chestnut blight threatens to intensify the depletion of Italy's timber resources, already severe owing to excessive and uncontrolled timber felling during the war. It will affect not only the country's supplies of timber, but of food as well. This blight, which has virtually wiped out indigenous chestnut trees in the United States during the last 30 years, has made its appearance in several Regions of Italy. It is worst in Liguria, where it first appeared in its most virulent form, and it is now spreading to Piedmont. There have been outbreaks also in Campania (between Nola and Avellino), Udine province and the Pistoiese Appennines (between Florence and Bologna).

Yearly Food Production

Italian chestnut groves cover 500,000 hectares (1,235,000 acres) and forest areas a further 400,000 hectares (988,000 acres). The yearly food production of the groves averages 250,000 tons of chestnuts, worth about 7,000 million lire. The chestnut constitutes a staple food item in many regions, particularly in the poorer mountain districts where other food resources are meagre. The yearly timber output from the groves averages 500,000 cubic metres, worth about 1,500 million lire. The timber output from the 400,000 hectares of chestnut woods is estimated to be 4,000,000 cubic metres, worth 6,000 million lire a year. Timber cut from the chestnut groves averages 3,000 lire per cubic metre. Timber cut from the woods, on the other hand, averages only 1,500 lire per cubic metre, as it includes a higher proportion of low-quality wood.

Chestnut timber is used in many industries essential to economic rehabilitation. It is used for furniture, for the manufacture of boxes for fruit and cheese, for telegraph poles, for fencing posts and for supports in vineyards and flower gardens. An important by-product is tannin for the leather industry.

Long-Term Plans

The Experimental Forestry Station in Florence, working in conjunction with the Vegetable Pathology Station in Rome, has drawn up a plan for long-term control of chestnut blight over a period of years. An attempt will be made to disinfest areas where the blight

Declassified E.O. 12356 Section 3.3/NND No. 785020

containing 37.25 % Al_2O_3 and 2.53 % Fe_2O_3; Type V3, containing 33.5 % Al_2O_3 and 2.06 % Fe_2O_3.

Plastic clay:
1,100 tons, containing from 35 % to 38 % alumina.

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150 tons—5 % distilling at 138° C. and 95 % at 144° C.

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Shellac:
62 tons.

Petroleum coke calcined:
4,312 tons.

Colophony:
900 tons.

Magnesite bricks:
417 tons.

Pharmaceutical

Acetone	6,531	kilograms
Codeine phosphate	23.68	,,
Codeine sulphate	56.7	,,
Corn syrup	3,454	,,
Opium blocks	1,814	,,
Emetina	10	,,
Theobromine	100	,,
Toluol	2,133.7	,,
Progesterone	1	,,
Papaverine	90.7	,,
Liver extract	897	,,
Belladonna leaves	1,015	,,
Belladonna roots	191.5	,,
Methyl alcohol	7,380	,,
Ethyl alcohol	800	quintals
Ascorbic acid	50	,,

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Chestnut timber is used in many industries essential to economic rehabilitation. It is used for furniture, for the manufacture of boxes for fruit and cheese, for telegraph poles, for fencing posts and for supports in vineyards and flower gardens. An important by-product is tannin for the leather industry.

Long-Term Plans

The Experimental Forestry Station in Florence, working in conjunction with the Vegetable Pathology Station in Rome, has drawn up a plan for long-term control of chestnut blight over a period of years. An attempt will be made to disinfest areas where the blight has appeared. New chestnut stock is to be imported from China, Spain and the United

Continued on Page 6

Declassified E.O. 12356 Section 3.3/NND No. 785020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(29 NOVEMBER - 1 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Marvia (1)	Savona	17 November	UNRRA	Minerals	2,539
Eskdalegate (1), (2)	Naples	22 »	»	General	150
Julia P. Shaw	Genoa	29 »	»	»	1,379
Chester Valley	»	» »	»	»	3,341
Nira Luckenbach	Naples	» »	»	»	5,624
Exiria (2)	»	30 »	»	»	478
Macalester Victory	»	» »	»	»	3,078
Rinaldo	Leghorn	» »	»	»	1,115
Pertusola	Piombino	» »	It. Government	Minerals	2,240
Orpheus	Genoa	1 December	Commercial	Cotton & Wool	4,404
Cervino	»	» »	It. Government	Minerals	5,800
Francesca	»	2 »	» »	»	2,230
Apollo	Crotone	» »	» »	»	5,200
Monarch of the Seas	Leghorn	3 »	UNRRA (Italy / Y'slavia / Italy)	Cocoa beans / Cotton / Wheat	4,085 / 2,129 / 1,476
Mont Clair	Naples	» »	»	General	573
Ernesto	Venice	4 »	It. Government	Minerals	11,020
Charles Wooster	»	» »	UNRRA	General	2,831
Penelope (3)	Palermo	» »	»	Cereals	5,358

NOTE: (1) Advice received too late for inclusion in last week's issue; (2) Also discharged at Leghorn and Genoa; (3) Also discharged at Genoa.

LATEST COAL SHIPMENTS

(29 NOVEMBER - 5 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Benjamin H. Bristow	Savona	29 November	United States	UNRRA	8,782
Lesvos	Genoa	» »	» »	»	8,586
Nachman Syrkin	Savona	30 »	» »	Swiss	9,445
James K. Paulding	Genoa	1 »	» »	UNRRA	8,889
Harry Kirby	Naples / Torre Annunziata	» » / 5 December	» »	UNRRA & It. Govt.	13,758
Robert R. McBurney	Genoa	1 »	» »	UNRRA	8,944
Charles A. Dana (1)	Leghorn	» »	» »	»	7,112
Richard J. Hopkins	Civitavecchia	» »	» »	It. Govt.	9,328
Fort McMurray	Ancona	» »	South Africa	UNRRA	7,599
Frederic A. Kummer	Genoa / Leghorn	2 » / 4 »	United States	»	15,705
Seaman A. Knapp	Venice	2 »	» »	»	8,889
Francis D. Culkin	»	» »	» »	»	9,151
Charles Lykes	»	» »	» »	Commercial	3,525
Walker D. Hines	Messina	» »	» »	UNRRA	9,164
William Terry Howell	Naples	4 »	» »	»	9,370
Nathan Clifford	Venice	» »	» »	»	8,655
					9,410

968

Declassified E.O. 12356 Section 3.3/NND No. 765020

(29 NOVEMBER - 4 DECEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Marvia (1)	Savona	17 November	UNRRA	Minerals	2,539
Eskdalegate (1), (2)	Naples	22 »	»	General	150
Julia P. Shaw	Genoa	29 »	»	»	1,379
Chester Valley	»	» »	»	»	3,341
Nira Luckenbach	Naples	» »	»	»	5,624
Exiria (2)	»	30 »	»	»	478
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Walker D. Hines	Messina	» »	» »	UNRRA	9,164
William Terry Howell	Naples	4 »	» »	»	9,370
Nathan Clifford	Venice	» »	» »	»	8,655
Lunsford Richardson	Savona	5 »	» »	Swiss	9,410
Panaghiotis	»	» »	Turkey	»	5,750
Morris C. Feinstone	Genoa	» »	United States	UNRRA	8,506

NOTE: (1) Also discharged at Civitavecchia.

968

Declassified E.O. 12356 Section 3.3/NND No. 765020

TRACTOR IMPORTS

UNRRA's tractor imports will not begin to meet the needs of Italian farmers for tractors, and Italian farmers must look to domestic production to meet their mechanical equipment needs, it is pointed out by Mr. S. M. Keeny, Chief of the UNRRA Italy Mission.

"The misconception prevailing in some quarters that UNRRA will import enough tractors to meet all Italian requirements is far wide of the facts," he said. "UNRRA tractor imports are now programmed to total only about 300 machines, of which half had arrived in Italy by the end of November.

"UNRRA never intended to meet all Italian requirements, nor is that our function. We are merely supplementing local production to help to tide Italy over the period of restoring domestic production—which has been hindered by the lack of raw materials and power, and delays in reconversion from war production."

UNRRA (as stated in *Economic Notes* No. 41, of 25 October) has offered to make available all its tractor imports to the tractor pools which have been announced as part of the Ministry of Agriculture's rehabilitation programme. Under this plan UNRRA tractors would be available for those farmers in war-affected areas who cannot afford to buy tractors, and the UNRRA machines would not be available for private sale.

Mr. Keeny also pointed out that those tractors imported into Italy under the Allied Commission programme have already been disposed of. Generally speaking, domestic production is, therefore, the only immediate source from which tractors may be purchased privately.

Continued from Page 4

CHESTNUT BLIGHT

States, both for new plantations and for grafting on Italian stock to produce a hybrid, disease-resisting species. It is proposed also to carry out a series of experiments with varieties of Italian chestnut to ascertain which, if any, are likely to resist disease. The entire plan may take 10 to 15 years and will require an estimated initial outlay of 4,000,000 lire for 1947 alone.

Prof. Aldo Pavari, travelling on an UNRRA fellowship, left Italy at the end of July, and spent over two months in America, where he visited forestry stations throughout the United States, to investigate recent researches, with a view to possible modification of the Italian plan. His studies in the United States have confirmed the gravity of the situation in Italy.

Declassified E.O. 12356 Section 3.3/NND No. 785020

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CONTENTS

1. UNRRA Food and Fuel Shipments
2. Coal Outlook Improves
3. Steel Allocations
4. Movements of Ships

UNRRA FOOD AND FUEL SHIPMENTS

Preliminary estimates of January imports indicate that some 700,000 tons will be delivered of the 2,500,000 tons needed to complete the UNRRA programme. Compared with a monthly average of 500,000 tons in October, November and December, when shipments were delayed by strikes, UNRRA imports in January are thus likely to show a marked improvement. But with the beginning of the transition period, as UNRRA's programme draws to a close, the factor of importance will be the percentage of non-UNRRA imports included in each month's total.

Reference to the "Movements of Ships" table published each week in *Economic Notes* will show that a substantial proportion of the shipping now entering Italian ports from overseas is carrying cargoes purchased on Italian Government account, or by Italian commercial interests.

Of the three major items in UNRRA's import programme—bread grains, coal and petroleum products—shipments still due to arrive, to complete UNRRA's delivery goal, were on 1 January as follows:

	Tons
Bread grains	450,000
Coal	1,200,000
Petroleum products (POL) .	350,000

sterling)—approximately 25 per cent. of the UNRRA Italian Mission's total expenditure—were devoted to the purchase of bread grains. This expenditure did not include ocean freight charges. More would have been spent if more grain had been available.

Priority for Grain

According to present estimates, funds of the UNRRA Italian Mission available for grain purchases are sufficient to enable the Mission to procure another 450,000 tons. The substantial grain requirements over and above this figure will have to be purchased by Italy from her own resources. Wheat is, of course, the highest priority item in the UNRRA programme.

Owing to the two maritime strikes and the coal strike in the United States, large scale deliveries of UNRRA coal, originally scheduled to end in January, will now continue into March. In view of the over-riding importance of coal imports in the Italian economy, it was agreed at the UNRRA Supply Conference in Washington last November that any funds *not* spent on other items in the industrial rehabilitation programme would automatically be allocated to the purchase of coal, either to complete UNRRA's total target figure or to

967

Declassified E.O. 12356 Section 3.3/NND No. 785020

ECONOMIC NOTES

Published Weekly in English and Italian

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CONTENTS

1. UNRRA Food and Fuel Shipments
2. Coal Outlook Improves
3. Steel Allocations
4. Movements of Ships

UNRRA FOOD AND FUEL SHIPMENTS

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Coal	1,200,000
Petroleum products (POL) .	350,000

Grain and fuel represent almost 90 per cent. (by tonnage) of Italy's total import requirements and about 50 per cent. by value. During 1946, over 80,000,000 dollars (£20,000,000 sterling)—approximately 25 per cent. of the UNRRA Italian Mission's total expenditure—were devoted to the purchase of bread grains. This expenditure did not include ocean freight charges. More would have been spent if more grain had been available.

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January coal imports (including non-UNRRA shipments) from all sources will total nearly 700,000 tons (see "Coal Outlook

967

Declassified E.O. 12356 Section 3.3/NND No. 765020

Improves" in column 2, on this page). Italy's total coal requirements for the whole of 1947 have been estimated at approximately 11,000,000 tons, of which 10,000,000 tons will need to be imported. Of this total, UNRRA shipments will account for 1,200,000 tons in the first quarter of the year.

Italy's coal imports from the Ruhr, which in normal times was the main source of supply, amounted to no more than 57,781 tons in December. While it is hoped that monthly deliveries will improve substantially during 1947, Ruhr coal shipments are likely to remain far below the pre-war figure.

In regard to coal shipments from Poland, the limiting factor is not so much availability of supplies, but of railway wagons to move them. Other Eastern Hemisphere sources of supply from which Italy can expect to import limited quantities of coal are the Arsa mines in Yugoslavia, South Africa, Belgium, Turkey and possibly the United Kingdom, which may, after the end of the winter, once more be able to export a small amount of steam coal.

Coal Freight Costs

The United States is, however, likely to be the source for most of 1947 of about 50 per cent. of all Italy's coal imports. This is a serious consideration, since freight costs from the United States average about 13 dollars (£3.5s. sterling) a ton compared with four dollars (£1 sterling) for Ruhr, or United Kingdom coal.

As Italy takes over the responsibility of buying and shipping coal on her own account, therefore, the development of Eastern Hemisphere sources of supply will become a matter of paramount importance to Italy's future economy.

The UNRRA petroleum programme will phase out gradually during the first four months of 1947; and, in order to keep a continual flow of products and maintain stocks, the Italian Government have already made provision for the purchase and import of such quantities as are necessary for the first quarter of the year.

The recent restoration of two of the Italian refineries, one at Bari and the other at

has procured 1,000,000 barrels of crude oil for Bari and Naples and a further 1,000,000 barrels have yet to arrive, in addition to finished products (gasoline, kerosene, Diesel oil, fuel oil, petroleum solvents, white spirit and lubricating oils and greases), in order to complete the UNRRA programme.

COAL OUTLOOK IMPROVES

A total of 650,000 to 700,000 tons of coal is expected to arrive in Italy during January, from all non-Italian sources. In addition, the month's output from the Sardinian mines will, it is estimated, amount to a further 100,000 tons. Coal imports during December are estimated to have amounted to 343,000 tons.

Coal stocks in Italy on 1 January, including those held by the State Railways and industrial undertakings, totalled approximately 345,000 tons. This figure is, however, subject to adjustment when the December consumption returns are available.

Immediately after the end of the United States coal strike on 7 December last, UNRRA coal shipments to Italy were resumed, and by 17 December arrangements had been completed for 51 ships, carrying approximately 435,000 tons, to sail between that date and the end of the year. Due to bad weather and stoppage of work during the holidays, some of these sailings were delayed until the first week in January, and the ships will now arrive between 20 January and 30 January.

Ruhr Deliveries

Shipments of coal from all sources, with the exception of UNRRA coal from Poland, and Belgian coal procured by the Italian Government, are now reasonably close to schedule. January imports from the Ruhr are estimated at 66,000 tons, from Arsa (Yugoslavia) at 15,000 tons and from South Africa at 25,000 tons. Negotiations for shipping 20,000 tons from Turkey are under way, and it is hoped that 3,000 tons will arrive in January.

Shipments from Eastern Hemisphere sources have been expedited during December, but transit from the Ruhr has been delayed during

Declassified E.O. 12356 Section 3.3/NND No. 765020

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The recent restoration of two of the Italian refineries, one at Bari and the other at Naples, and the resumption in March, 1947, of two additional refineries at La Spezia and Porto Marghera will mean a considerable saving in foreign exchange. Already UNRRA

ucts (gasoline, kerosene, Diesel oil, fuel oil, petroleum solvents, white spirit and lubricating oils and greases), in order to complete the UNRRA programme.

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Immediately after the end of the United States coal strike on 7 December last, UNRRA coal shipments to Italy were resumed, and by 17 December arrangements had been completed for 51 ships, carrying approximately 135,000 tons, to sail between that date and the end of the year. Due to bad weather and stoppage of work during the holidays, some of these sailings were delayed until the first week in January, and the ships will now arrive between 20 January and 30 January.

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Shipments from Eastern Hemisphere sources have been expedited during December, but transit from the Ruhr has been delayed during the first eight or 10 days of January, owing to winter delays to the movement of barges along the waterways between the Ruhr and Rotterdam.

Declassified E.O. 12356 Section 3.3/NND No. 765020

Starting with 5 January, sailings from United States ports were expected to be back to the level achieved last summer. UNRRA expects to import approximately 450,000 tons of United States coal during the present month, and the normal rhythm of arrivals at Italian ports should be restored by the third week of January, when some 26,000 tons of coal will be coming in daily.

The January coal allocation is being programmed on a basis of 500,000 tons. The increase, however, as compared with the previous month, will be reflected mainly in some preferential categories, such as the railways and public utilities.

Resumption of the regular flow, together with the arrival of shipments deferred from the latter half of December to the beginning of January, will create pressure on Italian port facilities at the end of this month. Hence the utmost despatch will be required in unloading cargoes and in moving the coal from the docks.

STEEL ALLOCATIONS

During the first nine or 10 months of 1946 UNRRA imports of essential commodities, such as coal, anthracite and fuel oil, together with peak electric power output in Italy resulted in a gradual acceleration of Italian steel production—figures for which have already been given in *Economic Notes* No. 46 of 29 November. Steel output reached its peak in October when 131,622 tons were produced. Production of pig iron and ferro-alloys was greatest in September when output reached 28,724 tons and 3,939 tons respectively.

The curtailment, due to water shortage, of power production in November to 65 per cent. of the demand, and of coal deliveries during October, November, December and January, to approximately 60 per cent. of those for the previous months (owing to the United States shipping and coal strikes) reduced monthly production in November and December to approximately 11,000 tons of pig iron, 95,000 tons of steel and no ferro-alloys. In fact, no electric pig iron furnaces and only about 20 to 40 per cent of the electric steel furnaces are in operation at the present time.

repair and maintenance, shipbuilding and public works, the Ministry of Industry and Commerce has drafted a decree blocking steel production.

Steel Priority Programme

The decree will empower the Ministry of Transport, the Ministry of Merchant Marine and other Ministries, in conjunction with the Ministry of Industry and Commerce, to prepare a programme of priority steel requirements. This programme will then be submitted to a committee composed of members of the Ministry of Industry and Commerce, CAMPFOND (Consorzio Nazionale Approvvigionamento Materie Prime per Fonderie Ghisa), ASSIDER (Associazione Siderurgica) and industrial representatives, who will prepare a production programme, based on individual factory capacity, to meet these requirements. All steel production will be considered as "frozen" until this programme is met and fulfilled. Any production in excess of the programme will be available for sale on the open market.

All scrap, both imported and locally available, and all domestically produced pig iron will be "frozen" and distributed to the factories included in the allocation programme, to enable them to meet planned priority production schedules.

UNRRA Imports

Imports of UNRRA raw materials for the rehabilitation of Italy's steel industry, up to 31 December, were as follows:

Coal *	approx.	550,000 tons
Fuel oil *	,,	14,000 ,,
Lubricants	,,	15,000 ,,
Semi-finished steel		1,767 ,,
Pig iron		17,022 ,,
Manganese ore		10,000 ,,
Wolframite		100 ,,
Ferro tungsten		80 ,,
Tin		966
Copper		500 ,,
Nickel		1,053 ,,
Magnesite brick		437 ,,
Petroleum coke		5,000 ,,
Anthracite for electrodes		8,000 ,,

Declassified E.O. 12356 Section 3.3/NND No. 785020
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To ensure that the maximum of this curtailed production is made available to the priority requirements of the Italian economy, such as railroad and rolling stock construction, production.

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Wolframite		100 ,,
Ferro tungsten		30
Tin		966
Copper		500 ,,
Nickel		1,053 ,,
Magnesite brick		437 ,,
Petroleum coke		5,000 ,,
Anthracite for electrodes		8,000 ,,

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* *Note*: These figures refer only to allocations to the iron and steel industry. Total quantities imported by UNRRA up to 31 December were (approximately): coal 4,515,000 tons, fuel oil 828,000 tons.

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Declassified E.O. 12356 Section 3.3/NND No. 785020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(26 DECEMBER - 5 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Bactria (1)	Leghorn	23 December	UNRRA	General	536
Greenland (1)	Genoa	25 »	»	»	1,002
Albion Victory	»	26 »	»	»	4,821
Highflier	»	» »	»	»	955
Sfinge (2)	»	» »	It. Government	Minerals	3,500
Samuel Bakke	»	» »	UNRRA	»	466
Southwestern Victory	Naples	» »	»	General	1,098
Northwestern Victory	Venice	27 »	»	»	1,074
Excelsior	Naples	28 »	»	»	2,200
Star of Egypt	Genoa	» »	»	Cereals	4,000
Examiner	»	29 »	»	Wheat Flour	282
Cotton State	Venice	» »	»	General	3,725
William M. Rayburn	Bari	» »	»	Cereals	9,400
Drake Victory	Genoa	30 »	»	General	1,117
Tito Campanella	Naples	» »	»	»	59
John Henry	Palermo	31 »	»	Cereals	9,149
Neptune's Car	Genoa	2 January	»	General	2,918
Philomel	Leghorn	» »	»	»	349
Nino Claudio	Genoa	3 »	»	»	2,000
Charles D. Walcott	Savona	4 »	»	»	4,083
Makedonia	Genoa	» »	»	»	2,710
Fort Livingstone	»	» »	»	Minerals	5,446
Raymond Clapper	Cagliari	» »	»	Cereals	9,348
Frank Park	Genoa	5 »	»	»	8,879
Motia	La Spezia	» »	It. Government	Minerals	2,930
				Total tonnage	82,144

NOTE: (1) Advice received too late for inclusion in last week's shipping list. – (2) Also discharged at Piombino.

LATEST COAL SHIPMENTS

(26 DECEMBER - 6 JANUARY INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Gloria C.	Venice	26 December	Yugoslavia	Commercial	550
Catawba Victory	Ancona	» »	United States	UNRRA	8,479
Frederick W. Wood	Genoa	27 »	» »	»	8,843
John A. Quitman	»	» »	» »	»	8,609
Prenj	Venice	» »	Yugoslavia	Commercial	5,860
General George Brink	»	28 »	South Africa	UNRRA	7,629
Ines Corrado	»	29 »	Germany	»	7,104
Josiah Tattnall	Savona	31 »	United States	»	9,236
Wilfred R. Bellevue	Genoa	» »	»	It. Govt.	9,317
Charles Bulfinch	Venice	» »	»	UNRRA	9,339
Thomas J. Jarvis	Savona	2 January	»	It. Govt.	9,605
Galen L. Stone	Civitavecchia	» »	»	UNRRA	8,673
Burnhope	»	» »	Germany	»	3,731
Edwin S. Nettleton	Genoa	3 »	United States	»	9,681
Elmer A. Sperry	Venice	5 »	» »	»	8,674

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Declassified E.O. 12356 Section 3.3/NND No. 765020

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Greenland (1)	Genoa	25 "	"	"	1,002
Albion Victory	"	26 "	"	"	4,821
Highflier	"	" "	"	"	955
Sfinge (2)	"	" "	It. Government	Minerals	3,500
Samuel Bakke	"	" "	UNRRA	"	466
Southwestern Victory	Naples	" "	"	General	1,098
Northwestern Victory	Venice	27 "	"	"	1,074
Excelsior	Naples	28 "	"	"	2,290
Star of Egypt	Genoa	" "	"	Cereals	4,000
Examiner	"	29 "	"	Wheat Flour	282
Cotton State	Venice	" "	"	General	3,726
William M. Rayburn	Bari	" "	"	Cereals	9,400
Drake Victory	Genoa	30 "	"	General	1,117
Tito Campanella	Naples	" "	"	"	59
John Henry	Palermo	31 "	"	Cereals	9,149
Neptune's Car	Genoa	2 January	"	General	2,918
Philomel	Leghorn	" "	"	"	349
Nino Claudio	Genoa	3 "	"	"	2,000
Charles D. Walcott	Savona	4 "	"	"	4,083
Makedonia	Genoa	" "	"	"	2,710
Fort Livingstone	"	" "	"	Minerals	5,446
Raymond Clapper	Cagliari	" "	"	Cereals	9,348
Frank Park	Genoa	5 "	"	"	8,879
Motia	La Spezia	" "	It. Government	Minerals	2,930
				Total tonnage	82,144

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LATEST COAL SHIPMENTS

(26 DECEMBER - 6 JANUARY INCLUSIVE)

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Gloria C.	Venice	26 December	Yugoslavia	Commercial	550
Catawba Victory	Ancona	" "	United States	UNRRA	8,479
Frederick W. Wood	Genoa	27 "	" "	"	8,843
John A. Quitman	"	" "	" "	"	8,609
Prenj	Venice	" "	Yugoslavia	Commercial	5,860
General George Brink	"	28 "	South Africa	UNRRA	7,629
Ines Corrado	"	29 "	Germany	"	7,104
Josiah Tattnall	Savona	31 "	United States	"	9,236
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Galen L. Stone	Civitavecchia	" "	"	UNRRA	8,673
Burnhope	"	" "	Germany	"	3,731
Edwin S. Nettleton	Genoa	3 "	United States	"	9,681
Elmer A. Sperry	Venice	5 "	" "	"	8,674
Cotton Mather	Taranto	6 "	" "	"	8,293
				Total tonnage	123,623

Declassified E.O. 12356 Section 3.3/NND No. 765020

December 9, 1946 Vol. III, No. 34

ALLIED COMMISSION

WEEKLY BULLETIN

PUBLISHED BY PUBLIC RELATIONS BRANCH, HEADQUARTERS, ALLIED COMMISSION, APO 794

POLITICAL

Completion of the Italian peace treaty was foreseen in the near future as the Council of Foreign Ministers meeting in New York City finished their work on the Trieste Statute and proceeded to iron out some of the other points of differences. As to the direct negotiations between representatives of Yugoslavia and Italia, newspaper concensus was that the agreement of the Four practically brought to an end any possibility of significant results and that negotiation in the future would be probably confined to secondary matters including commercial agreements and protection of minorities.

The one detail in the Trieste Statute that caused most concern in the Italian press was that providing for the inclusion of 5,000 Yugoslav troops in the military force which—together with equal numbers of American and British Troops—will occupy the Free Territory of Trieste until the Governor shall announce that their presence is no longer necessary. Under the terms published, the Governor must make such announcement 90 days after taking office, but in the event he deems their presence is necessary, the troops may be retained until he decides otherwise.

According to *Messaggero* the Italian Government made inquiries of the Council of Foreign Ministers as to the details of this provision. It was reported by ANSA that the Yugoslav troops would remain in the section of Venezia Giulia which they presently occupy and would not be permitted to enter the city of Trieste. The Italian press bitterly complaining of the provision for Yugoslav troops took exception not so much to the number of troops stated as to the fact of their inclusion in the security force. In general the papers emphasized that Yugoslavia was one of the contending parties in the dispute. They claimed that the presence of Yugoslav troops would exert serious political pressure in the elections and in all political activity of the New Territory.

In the matter of the boundaries between Yugoslavia and Italy and between those countries and the Free Territory the only development of any interest during the past week was a Yugoslav proposal to the Big Four reported by Reuters. The press service stated that a Yugoslav note to the Council of Foreign Ministers proposed a new line which would leave Monfalcone to Italy. More significant however was the apparent lack of mention of Gorizia in the new Yugoslav proposal. Cession of Gorizia to Yugoslavia had been included in the proposal made by Marshal Tito to Palmiro Togliatti. In spite of the proposal it was deemed unlikely in most press circles that the Four would deviate from the French line already adopted.

Reparations.

Reparations appeared once more on the agenda of the Council of Foreign Ministers this week. Whereas the Paris Conference had voted 100,000,000 dollars each to Yugoslavia and Greece and 25,000,000 to Ethiopia there seemed every likelihood that these figures would be changed. Toward the end of the week the United Press reported that a French proposal was under consideration which would give 125,000,000 dollars to Yugoslavia and 105,000,000 dollars to Greece. The amount provided for Ethiopia was apparently left unchanged. It is reported that Molotov demanded that 10,000,000 dollars should be paid by Italy to Albania. Bevin and Byrnes however, are stated to have pointed out that a proposal to have Italy pay 5,000,000 dollars to Albania had already been rejected by the Paris Peace Conference.

Other matters reported as determined by the Council of Foreign Ministers included permission for Italy to own motor torpedo-boats and acknow-

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Completion of the Italian peace treaty was foreseen in the near future as the Council of Foreign Ministers meeting in New York City finished their work on the Trieste Statute and proceeded to iron out some of the other points of differences. As to the direct negotiations between representatives of Yugoslavia and Italia, newspaper concensus was that the agreement of the Four practically brought to an end any possibility of significant results and that negotiation in the future would be probably confined to secondary matters including commercial agreements and protection of minorities.

The one detail in the Trieste Statute that caused most concern in the Italian press was that providing for the inclusion of 5,000 Yugoslav troops in the military force which—together with equal numbers of American and British Troops—will occupy the Free Territory of Trieste until the Governor shall announce that their presence is no longer necessary. Under the terms published, the Governor must make such announcement 90 days after taking office, but in the event he deems their presence is necessary, the troops may be retained until he decides otherwise.

According to *Messaggero* the Italian Government made inquiries of the Council of Foreign Ministers as to the details of this provision. It was reported by ANSA that the Yugoslav troops would remain in the section of Venezia Giulia which they presently occupy and would not be permitted to enter the city of Trieste. The Italian press bitterly complaining of the provision for Yugoslav troops took exception not so much to the number of troops stated as to the fact of their inclusion in the security force. In general the papers emphasized that Yugoslavia was one of the contending parties in the dispute. They claimed that the presence of Yugoslav troops would lend much weight to the Yugoslav claims over Italian claims thereby constituting a privilege for Yugoslavia and a humiliation for Italy; also the press contended that presence of Yugoslav troops would exert serious political pressure in the elections and in all political activity of the New Territory.

In the matter of the boundaries between Yugoslavia and Italy and between those countries and the Free Territory the only development of any interest during the past week was a Yugoslav proposal to the Big Four reported by Reuters. The press service stated that a Yugoslav note to the Council of Foreign Ministers proposed a new line which would leave Monfalcone to Italy. More significant however was the apparent lack of mention of Gorizia in the new Yugoslav proposal. Cession of Gorizia to Yugoslavia had been included in the proposal made by Marshal Tito to Palmiro Togliatti. In spite of the proposal it was deemed unlikely in most press circles that the Four would deviate from the French line already adopted.

Reparations.

Reparations appeared once more on the agenda of the Council of Foreign Ministers this week. Whereas the Paris Conference had voted 100,000,000 dollars each to Yugoslavia and Greece and 25,000,000 to Ethiopia there seemed every likelihood that these figures would be changed. Toward the end of the week the United Press reported that a French proposal was under consideration which would give 125,000,000 dollars to Yugoslavia and 105,000,000 dollars to Greece. The amount provided for Ethiopia was apparently left unchanged. It is reported that Molotov demanded that 10,000,000 dollars should be paid by Italy to Albania. Bevin and Byrnes however, are stated to have pointed out that a proposal to have Italy pay 5,000,000 dollars to Albania had already been rejected by the Paris Peace Conference.

Other matters reported as determined by the Council of Foreign Ministers included permission for Italy to own motor torpedo-boats and acknowledgment of the direct agreement reached by Italy and Austria as to Alto Adige.

In the realm of Party Politics the Christian Democrats stole the spotlight and most of the

965

Declassified E.O. 12356 Section 3.3/NND No. 765020

headlines this week with a split that rivalled that threatening in the Socialist Party. On 1 December the right wing trend of the party led by Stefano Jacini organized and held a meeting to draw up a program. This program would call for the Christian Democrat Party to leave not only the coalition Government but also the General Confederation of Italian Labor. The same day Minister of Education Guido Gonella in a speech delivered at Martina Franca called upon his party to cease any further collaboration with the Communists either in the Government or in the Labor Movement. The day before the formal organization of the right wing trend of the party, Jacini in an interview printed in *Giornale d'Italia* had stated that the trend was in full agreement with the program of the party with the exception of the two points noted. He was quoted as saying that the only thing to be welcomed would be "an agreement between the Christian Democrats and the Socialists disengaged from the Communists or the Liberals disengaged from the Qualunquisti".

Faced with the threatened split within the ranks of the Party, the Directorate of the Christian Democrat Party met on 4 December and decided to call into session the National Council of the Party on 9 December. The Directorate passed an order of the day decrying the expression of party feelings through channels other than the party's own.

In the meantime the Socialist Party had advanced its party Congress to 9 January 1947 and stated that the agenda would include (1) line of policy of the party; (2) the party's statute and (3) election of the directive organisms.

Rome's Mayor

The stalemate represented by the tripartite government was nowhere more emphasized than at the first meeting of the Rome city governing council on 4 December. The council had met to elect a Mayor of the capital, but the following day the city was still mayorless as neither party nor coalition could swing the necessary majority. The Christian Democrats abstained from the voting, turning in blank ballots.

The general political situation, considered hopeless in party circles gave rise during the week to an increasing agreement that clarification could only be brought about by advancing the [illegible] that if the parties became resigned to the elections as the only solution to the complex situation, there should follow a political truce until they could be held.

Not much developed politically during the week on either the repatriation of prisoners of war from Yugoslavia or the police report on the Emilia crime wave. In the case of the former, a group of 2,879 arrived in Ancona on 29 November. *Italia Nuova* headlined that the group had been handed over to Hon. Moscatelli and thundered that this was an insult to the Italian Government.

In the case of the Emilia crime wave nothing factual developed. Consideration of the police report that allegedly charged the Communists with responsibility for most of the crimes was postponed to a later session of the Council of Ministers on demand of Minister Scoccimarro.

ECONOMIC FRONT

Total figures relating to the availability and consumption of wheat in Italy for the month of November were reported this week by the Economic Division. During the month 1,054,838 tons of wheat and wheat substitutes were available. This figure includes 62,222 tons amassed to include 26 November. Consumption during the month amounted to a total of 387,500 tons leaving a balance of 667,338 tons as of 1 December. This is sufficient for approximately 54 days, but the figure will be increased to 56 days by the arrival of 30,000 tons which are now in transit. The estimate as to the number of days is dependent upon the availability of internal transport to move the stocks.

Consumption figures are based on 12,500 tons per day which is now determined by UNRRA as the average daily rate of consumption. This is a net rate after making allowances for various factors such as a 3 percent loss factor, UNRRA Welfare, Italian Armed Forces, 2 percent for bogus ration cards and the amount of rice distributed in certain provinces in lieu of wheat.

A decree concerning regulation for public restaurants, including surrendering of ration card coupons for all bread and pasta served and limiting the number of courses has been issued by the Italian Government as published in the *Gazzetta Ufficiale* No. 272 of 29 November 1946.

Declassified E.O. 12356 Section 3.3/NND No. 765020

call for the Christian Democrat Party to leave not only the coalition Government but also the General Confederation of Italian Labor. The same day Minister of Education Guido Gonella in a speech delivered at Martina Franca called upon his party to cease any further collaboration with the Communists either in the Government or in the Labor Movement. The day before the formal organization of the right wing trend of the party, Jacini in an interview printed in *Giornale d'Italia* had stated that the trend was in full agreement with the program of the party with the exception of the two points noted. He was quoted as saying that the only thing to be welcomed would be "an agreement between the Christian Democrats and the Socialists disengaged from the Communists or the Liberals disengaged from the Qualunquisti".

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The general political situation, considered hopeless in party circles gave rise during the week to an increasing agreement that clarification could only be brought about by advancing the next political elections to May or June 1947. The suggested solution was apparently first advanced by Don Sturzo and as the week progressed more of the party organs and independent papers were falling into line. Many of the papers left

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Fuel.

As of 1 December stocks of coal on hand amounted to 415,000 tons. The was expected to be augmented by December shipments of

Declassified E.O. 12356 Section 3.3/NND No. 765020

250,000 tons. Of this amount 112,000 tons were reported in transit from the United States and it was estimated that 138,000 tons would arrive from other sources during the month. Due to the coal miners' strike in the United States the consumption of coal for December will be limited to 400,000 tons leaving an estimated balance on 31 December of 265,000 tons. (At the meeting of the Council of Ministers on 5 December it was determined to reduce railway traffic 20 to 30 percent).

Civilian P. O. L. stocks based on current reduced rate of consumption was reported as follows:

Motor Gasoline	10 days	(50 percent cut in consumption).
Diesel Oil . .	20 days	(40 percent cut in consumption).
Kerosene . . .	25 days	(normal consumption).
Fuel Oil . . .	60 days	(normal consumption).

A tanker carrying 80,000 barrels of motor gasoline and 50,000 barrels of diesel oil arrived at Naples on 3 December. It has also been announced that seven tankers will sail during December carrying 343,000 barrels of diesel oil and 160,000 barrels of motor gasoline. The bulk of this is due to arrive during the first half of December. It is anticipated that upon receipt of these quantities, restrictions on consumption which were imposed early in November will be lifted.

Five tankers of crude oil have been received three at Bari and two at Naples. The 568,000 barrels brought by these tankers represents slightly more than one-fourth of the crude oil to be imported by UNRRA.

Power.

The power situation in Central and Southern Italy was reviewed by the Central Commission for the Rationing and Control of Electric Power (Ministry of Public Works) during the monthly meeting held on 30 November. The general situation is slightly improved and in spite of the increased consumption, the estimated shortage in December will be about 26 percent as compared with 32 percent for November. Feeder disconnections will be carried out according to the

COMMUNICATIONS DIVISION

Rapid recovery of international radio communications between Italy and other countries has been brought about by the energetic efforts of the Italian managers and engineers of the Italian controlled Italcable Servizi Cablografici Radiotelegrafici and Radioelettrici, until now the international radio communication system radiating from Italy is approaching the pre-war peak and on some circuits has made available services that were not offered before the war.

International radio communications between Italy and the rest of the world became non-existent during the transition period of German withdrawal and Allied occupation of the various areas of the country. Press Wireless and RCA Communications were called into Italy to establish radio communications essential to the effective control of the armies.

Following the return of facilities to Italcable, its managers and engineers have exhibited zeal and enthusiasm in returning radio communication to normal. Damage to equipment caused by acts of war and deliberate destruction by the withdrawing enemy resulted in very little of the equipment being usable. Vital parts of transmitters were removed and the main power plant in Italcables' Rome transmitter station was destroyed. With this beginning, Italcable has rebuilt transmitters, brought and improvised others while negotiating for authorization to use frequencies allotted before the war.

Radiotelegraph circuits existing before the war that have been reactivated include those between Rome and Rio de Janeiro, Buenos Aires, Lima, New York, London, Copenhagen, Stockholm, Prague, Warsaw, Budapest, Moscow, Istanbul, Kabul, Beyrukt, and Cairo.

Radiotelegraph circuits not yet reactivated include those between Rome and Halifax, Nova Scotia, Amsterdam, Oslo, Berlin, Vienna, Bucarest, Lisbon, Shanghai, and Tokio. Many factors have prevented operation of these circuits. Primary obstacles have been lack of equipment at both termini, and reluctance of military occupation authorities to permit resumption of operation. Another factor has been the inadequacy of frequencies suitable for this type of communication. Some of the best frequencies were seized for military use during the war and have not been released.

Declassified E.O. 12356 Section 3.3/NND No. 765020

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A tanker carrying 80,000 barrels of motor gasoline and 50,000 barrels of diesel oil arrived at Naples on 3 December. It has also been announced that seven tankers will sail during December carrying 343,000 barrels of diesel oil and 460,000 barrels of motor gasoline. The bulk of this is due to arrive during the first half of December. It is anticipated that upon receipt of these quantities, restrictions on consumption which were imposed early in November will be lifted.

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Radiotelephone service has been resumed between Rome and Rio de Janeiro, Buenos Aires and New York. Volume of this traffic exceeds pre-war traffic. Almost all available circuit time

Declassified E.O. 12356 Section 3.3/NND No. 785020

is taken up by business men, diplomats, and soldiers. The Rome–New York radiotelephone circuit is also limited by the fact that the equipment available at the New York terminus is used for part time operation with Cairo. The radiotelephone circuit with Tokio will be reopened when permission is granted for operation of the Tokio terminus.

Service has been expanded by the introduction of Radiophoto service between Rome and New York and London. This service has been of considerable aid to the news agencies in sending the Italian news in pictures to the rest of the world.

Active plans call for the installation of new equipment that will permit operation of multichannel services between Rome and New York. A radioteletype service with Moscow will be introduced as soon as approved by Allied authorities. Photo service to South America will be inaugurated when the proper equipment has been installed in South America.

Over Italcable facilities communications may be sent to any point in the world. Its affiliates in the United States, relay communications to the far East, Central and North America. From Buenos Aires and Rio de Janeiro communications can be routed to the adjoining countries of South America. Through its London affiliates communications can be relayed to communication centers of Africa and the British Empire.

The facilities of Italcable are of great importance at this time when submarine cable cut during the war has not been restored to service and land line facilities of Europe are used primarily for military traffic. The services offered are used as rapidly as available by governmental and commercial representatives in restoring order and commerce, thus providing an incentive for the procurement of better equipment and improvement of services.

AIR FORCES SUB-COMMISSION

The past week brought to light the good work carried out by the Italian Air Sea Rescue Service in connection with the rescue of the passengers and crew of the Dakota aircraft which crashed on a glacier in the Swiss Alps. Supplies were dropped and rescue parties were guided on their way to the aircraft. The crews of the

LAND FORCES SUB-COMMISSION (MMIA)

The new Italian Army, with its increased mechanical and electrical commitments, has for some time been faced with the problem of how to provide sufficient technical personnel for the maintenance and operation of its modern equipment. With the bulk of its personnel engaged for 12 months only, and its proportionately small cadre of long-service personnel, it is impossible to train sufficient skilled technicians, and the employment of auxiliary civilian personnel or contractors does not solve the problem so far as it affects mobile units and formations.

The Ministry of War is fully alive to this problem, but all solutions to it seem to be unacceptable for financial reasons.

It is hoped, however, that efforts now being made to overcome this great obstacle to the efficiency of the Italian Army may prove successful.

The Italian Press is evincing more and more interest in the Italian Army, as reported in the AC Bulletin of 26 October 1946, and an increasing number of constructive criticisms have appeared, in contrast to the ill-informed articles which continue to be printed in some of the newspapers.

With the approaching completion of the duties of the Italian P. O. W. section, all functions affecting P. O. W. who have been in the hands of the U. S. authorities have been separated and transferred to the H. Q. of the Commanding General, Peninsular Base Section at Leghorn.

The Italian authorities have been asked to inform the public that all future inquiries regarding P. O. W. who have been, or still are, in American hands, should be sent to the above address.

DISPLACED PERSONS

Fourteen centers housing displaced persons of some thirty different nationalities are at present under the control of the Displaced Persons Division, Allied Commission. As of 30 November 1946 the total number of diplaced persons in the camps was 10,828, of which Yugoslavs constituted the largest group.

During the past few months a total of four camps have been handed back to the Italian authorities. Of these one was located at Bolzano and another at Aversa near Naples. The other

Declassified E.O. 12356 Section 3.3/NND No. 765020

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Changes in the Military Courier service reported last week are now in force and the service is functioning satisfactorily.

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No. 3 D. P. Center located at Barletta-Trani has recently been divided into two separate camps. The one at Barletta (hou sing Poles) is now de-

Declassified E.O. 12356 Section 3.3/NND No. 785020

signated No. 3 D. P. Center while the other at Trani is D. P. Center No. 4.

The past few months have been quiet from the repatriation point of view except for one or two moves involving transfer of Italian children and Italian dependents to Eritrea, Tripolitania and Somalia. These movements were an Italian Government responsibility. During the past few months dependents of members of Polcorps were moved to the United Kingdom and Chinese who had long been held up due to lack of transport were repatriated to their homeland.

ODDS AND ENDS

Capt. J. Stopford, (B), (Industry and Utilities) has returned to the Allied Commission from leave to the United Kingdom.

The following American officers were assigned on 30 November 1946 to the indicated Sub-Commissions and Division: Maj. Alexander C. Kharitonoff, (Displaced Persons Division); Capt. Donald C. Morris, (Displaced Persons Division); 1st Lt. Sidney P. Dane, (Displaced Persons Division); Maj. George G. Maxfield, (Archives Division); Capt. Lewis W. Gingery, (Land Forces Sub-Commission); Capt. Raymond C. Graves, (Land Forces Sub-Commission); 1st Lt. Thomas E. Kelley, (Economic Division); and 1st Lt. Frederic W. Irwin, (Air Forces Sub-Commission).

Five American officers have been added to the roster of the 7106th Regiment and are waiting for assignment. They are: Capt. Willis B. Mc Carthy, Capt. Dudak Langerak, Capt. Roy C. McCracken, Capt. Jack Wallace, and 2nd Lt. Billy L. Rowland.

* * *

Capt. Paul G. Weden has been awarded the Army Commendation Ribbon for his achievements in the Archives Division. Presentation was made by Lt. Col. Robert C. Ross, Commanding Officer, 7106 Regiment, on 4 December 1946.

* * *

The enlisted men of Headquarters Company, 7106 Regiment, will officially re-open their Day Room on Saturday, 7 December 1946. The room has recently been completely redecorated with a new coat of paint, new furniture, wall and floor lamps, and a fireplace.

964

Declassified E.O. 12356 Section 3.3/NND No. 785020

December 6, 1946 Vol. I, No. 47

ECONOMIC NOTES

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CONTENTS

1. Price Policy for UNRRA Goods
2. Coal Outlook
3. Food Prices Fixed
4. Allocations for Industry
5. Forage Pea Seed
6. Movements of Ships

PRICE POLICY FOR UNRRA GOODS

Since the establishment last June of the Price Committee, set up in accordance with the supplementary agreement signed in January this year between the Italian Government and the UNRRA Italy Mission, prices have been fixed for 85 commodities imported by UNRRA. These commodities range from coal to dried milk. They include a wide variety of foodstuffs, raw materials for industrial and agricultural rehabilitation and medical supplies, among which are listed penicillin and insulin.

The supplementary agreement of last January sets out that the Italian Government will "discuss and agree with UNRRA" the "price policies and specific prices for such supplies, and their relationship to prices for similar supplies produced domestically."

Supplies and Prices

This clause in the agreement is itself based on UNRRA Resolution No. 7 (governing UNRRA policy throughout the world) which prescribes that "prices should be set at such levels as to facilitate the flow of supplies into the proper hands, and to avoid maladjustments [illegible] and that "distribution

Italian Delegation for Relations with UNRRA. Its permanent members include representatives of the Italian Delegation, the Treasury, the Ministry of Foreign Trade, the Italian Government Inter-Ministerial Committee on Prices, and representatives of the UNRRA Italy Mission. Representatives of other Ministries or Government agencies are invited to attend when matters affecting them are under discussion. A representative from the Lire Fund Control Committee participates in all Price Committee discussions.

The Committee is required not only to discuss and agree on the specific prices to be charged by the Government for supplies furnished free of charge by UNRRA, but also to examine the relationship of those prices to prices for similar supplies produced domestically, or imported outside the UNRRA programme. Immediately a price is agreed in the Committee, a formal price decision is drawn up, which comes into effect as soon as it is signed by the Chief of the UNRRA Italy Mission and the President of the Italian Delegation for Relations with UNRRA.

Payments to Lire Fund

Declassified E.O. 12356 Section 3.3/NND No. 785020

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863

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The Committee is as an advisory body to the Chief of Mission and the President of the Italian Delegation for Relations with UNRRA. Its permanent members include representatives of the Italian Delegation, the Treasury, the Ministry of Foreign Trade, the Italian Government Inter-Ministerial Committee on Prices, and representatives of the UNRRA Italy Mission. Representatives of other Ministries or Government agencies are invited to attend when matters affecting them are under discussion. A representative from the Lire Fund Control Committee participates in all Price Committee discussions.

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Payments to Lire Fund

The Price Committee has worked very closely with the Lire Fund Control Committee, as decisions on prices directly affect the amount paid into the Lire Fund—which is the source providing the money for further relief

0663

Declassified E.O. 12356 Section 3.3/NND No. 785020

0694

and rehabilitation projects, such as malaria control or the repair of houses damaged in the war. The Committee not only recommends a price, but estimates the handling charges and the amount which is to be paid into the Lire Fund from the sale of UNRRA commodities.

In the early months of the Committee's operations, only rough estimates of handling charges could be made. But since more accurate estimates have become available, all price decisions agreed upon by the Committee have shown the recommended price, the estimated handling charges and the sum estimated to accrue to the Lire Fund.

Supplies imported by UNRRA are consigned to Government-appointed agencies, which are responsible for handling these supplies and their delivery to the consumers, or producers. The Price Committee's estimate of handling charges is the maximum which the consignees are allowed to retain after the sale of UNRRA commodities. This provisional estimate helps to prevent delay in transferring to the Lire Fund sums derived from the sale of UNRRA goods.

Handling Charges

As with all claims on the Lire Fund, handling charges are subject to final determination by the Lire Fund Control Committee, and must be supported by properly documented bills. The estimated handling charges shown in price decisions are thus only provisional maximum withholdings, and are liable to be reduced on the basis of what the agencies handling the goods actually had to spend on distribution.

The Italian Government has agreed that UNRRA imports are free of Customs duties. When, because of price practices, it has been advisable to include Customs charges in the prices fixed, the amounts thus collected on UNRRA imports are paid to the Lire Fund.

Several factors govern the fixing of prices for UNRRA imports. These imports can be divided into two large categories—consumer supplies (including durable goods like agricultural machinery) and raw materials for processing in the industrial rehabilitation programme. Although broadly the same considerations determine price decisions in each

the Government is that the prices of similar or equal goods already on the market should be taken into consideration, to avoid a dual pricing system and the danger of speculative resale and disruption of organized distribution.

With regard to goods for direct use by consumers, the general principle is to keep the price as low as possible. Where there is no competing price for goods that are locally produced or imported from sources other than UNRRA, this price is based on the landed cost of the article (for example, penicillin), if it achieves the purpose of UNRRA Resolution No. 7—which provides that essential commodities should be available to all classes "irrespective of their purchasing power."

Reducing Domestic Prices

Where a "free" market price exists, UNRRA policy has been to undercut it by a margin large enough to force down the domestic price, but not to make the price of UNRRA goods low enough to encourage speculative resale. Where a controlled price exists, UNRRA considers the Italian market as one unit and sets the price of its products at the existing level, or agrees with the Government on a new common level.

When the usefulness of an article depends on its rapid distribution, prices are fixed low enough to enable the goods to be absorbed immediately, without regard to competing national production. These prices, however, are fixed only for short periods (for example, agricultural machinery at harvest time and seed during the planting season).

With raw materials for industrial rehabilitation, it is necessary to consider not only prices of similar domestic or imported items, but also the amount of control exercised over the sale of the finished product.

In cases where the distribution of the end product is uncontrolled either by allocation or by price, and the product itself affects a number of other products (steel, for instance, or tinplate), the price fixed is one which will ensure the best use of the UNRRA imports without loss to the Lire Fund.

Control of Profits

Declassified E.O. 12356 Section 3.3/NND No. 765020

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Several factors govern the fixing of prices for UNRRA imports. These imports can be divided into two large categories—consumer supplies (including durable goods like agricultural machinery) and raw materials for processing in the industrial rehabilitation programme. Although broadly the same considerations determine price decisions in each category, the emphasis varies with each commodity and according to the problems involved. In all cases, policy is based on UNRRA Resolution No. 7. Another principle of general application which has been agreed with consumers, the general principle is to keep the price as low as possible. Where there is no competing price for goods that are locally produced or imported from sources other than UNRRA, this price is based on the landed cost of the article (for example, penicillin), if it achieves the purpose of UNRRA Resolution No. 7—which provides that essential commodities should be available to all classes "irrespective of their purchasing power."

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Control of Profits

This policy is applied where lower prices would not, in fact, result in lower costs to consumers. It ensures that undue profits do not accrue to manufacturers by enabling them to buy at a low controlled price and sell at a

Declassified E.O. 12356 Section 3.3/NND No. 765020

high uncontrolled price. In cases where similar items exists in the country alongside UNRRA supplies, this policy prevents UNRRA prices from being so low as to encourage buying for speculative resale.

For raw materials, such as hides, cotton, wool and copra (which is processed into margarine), where distribution of the end products is controlled, the principle is to set the price at a low level, to benefit the individual consumer—since the risk of undue profits, or of speculative resale is less likely.

Smooth Transition

In recommending prices for large-scale, basic commodities, such as coal, the Committee has to take into account the estimated price to be paid for similar imports when UNRRA supplies cease, in order to ensure a smooth transition from the UNRRA to the post-UNRRA period. A sharp rise in the prices of such basic commodities when UNRRA's shipments finish would more than offset any temporary benefit derived from prices held below world prices during the UNRRA period.

Another factor governing the price recommended by the Committee is the effect of that price on local production. The price, for example, of UNRRA imports of tinplate was set high enough to encourage increased output by Italian steel works.

In the case of P.O.L. (petroleum products) one decisive consideration was to set prices at a level which would permit Italian oil refineries, in process of restoration, to operate without loss. This had the further effect of benefiting the Italian economy in general, since refining crude oil in Italy avoids the need to import more expensive refined oil, and releases foreign exchange for other purposes.

COAL OUTLOOK

Coal allocations for Italy from Eastern Hemisphere sources of supply are to be agreed in London this week by the European Coal Organization. The UNRRA Italy Mission is represented by Mr. R. Scriven, head of the Coal Branch of the Sub-Bureau of Industrial

very large. Production in the Ruhr has declined—owing, chiefly, to food shortage. Deliveries from Silesia are restricted, because of the limited number of railway wagons which Italy has available at the present time.

December Allocations

December allocations from Eastern Hemisphere sources, total 130,000 tons, of which 73,000 tons are due to come from the Ruhr and 20,000 tons from South Africa. These, it must be emphasized, are the quantities which Italy is entitled to receive during December. Actual deliveries this month may fall short of those figures.

At the beginning of December Italy had available sufficient stocks of coal to enable essential services and industry to carry on throughout the month—on the basis, however, of very substantial cuts in previous monthly allocations. Coal allocations have, in fact, been on a reduced scale since the beginning of November, when the Ministry of Industry and Commerce and the UNRRA Italy Mission jointly agreed on a 10 per cent. reduction in allocations for preferential users and a 27 per cent. cut for non-preferential users. The cuts in December allocations are still more severe, and are now down to the minimum in the preferential categories. The balance available for industry in general is being allocated by the Ministry of Industry and Commerce.

Preferential Consumers

Broadly, the preferential categories include the State and secondary railways, shipping (for bunker coal), electricity generating plant, gasworks, cokeries, hospitals and bakeries. For December no imported coal is being allocated to the Italian State Railways, as they have sufficient stocks to meet this month's requirements, with some reduction, however, in freight and passenger services. Preferential consumers will receive approximately 70 per cent. of the imported coal available for allocation in December, and about 37 per cent. of the supplies from Sardinia.

Should the strike in the United States end early in December, shipments to Italy could begin to arrive in the early part of January; but the Christmas holidays may cause some

Declassified E.O. 12356 Section 3.3/NND No. 765020

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Although urgent appeals have been made to the European Coal Organization for increased allocations to Italy, it is expected that such increases as are possible will not, in fact, be

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Should the strike in the United States end early in December, shipments to Italy could begin to arrive in the early part of January; but the Christmas holidays may cause some further minor delay. On the other hand, if the strike is prolonged coal stocks in Italy will by January have fallen so low as to compel further drastic conservation by preferential and non-preferential users.

Declassified E.O. 12356 Section 3.3/NND No. 765020

FOOD PRICES FIXED

Sugar, imported by UNRRA, fish, sausage and meat products are among the UNRRA commodities for which prices have been fixed, following recommendations made by the Price Committee.

At its meeting on 11 November, the Committee proposed the following price recommendations which have now been approved by the Italian Government and the UNRRA Italy Mission:—

Sugar:
115 lire per kilogram, on retailer's vehicle, ex intercommunal warehouse.

Chicken haddie and ground fish (including ground pilchards):
60 lire per kilogram, on retailer's vehicle, ex intercommunal warehouse.

Pilchards and herring:
80 lire per kilogram, on retailer's vehicle, ex intercommunal warehouse.

Canned salmon, mackerel, mackerel fillets and sardines and fish in oil:
95 lire per kilogram, on retailer's vehicle, ex intercommunal warehouse.

Liver spread, meat spread and meat paste:
105.50 lire per kilogram, on retailer's vehicle, ex intercommunal warehouse.

Thuringer sausage, pork luncheon meat and other canned meats (solid):
180 lire per kilogram, on retailer's vehicle, ex intercommunal warehouse.

Non-solid meat (for example, meat and vegetables):
105.50 lire per kilogram, on retailer's vehicle, ex intercommunal warehouse.

Blood sausage:
105.50 lire per kilogram, on retailer's vehicle, ex intercommunal warehouse.

Coffee beans, green:
250 lire per kilogram, on retailer's vehicle, ex intercommunal warehouse.

Candy bars:
130 lire per kilogram, to consumers, ex authorized co-operative stores.

UNRRA Sugar Imports

The sugar to which the above price decision refers consists of UNRRA-imported supplies. The figure of 115 lire per kilogram fixed by the Price Committee is the same as the controlled price already in force for locally produced sugar.

Chicken haddie and ground fish, including

Some 2,415 tons of candy bars are covered by the Price Committee's recommendation. Approximately 791 tons will be distributed as a free issue through UNRRA Welfare channels on a scale of 400 grams (a little under 1 lb.) per person to all recipients of UNRRA assistance. Some 144 tons will be available for free issue, on the same ration scale, to sick persons in hospital. This distribution, spread over a period of three months, will be under the control of SEPRAL (Sezione Provinciale per l'Alimentazione).

The remaining 1,480 tons of candy bars will be offered for sale at the agreed price of 130 lire per kilogram to members of industrial co-operatives. Co-operatives for State employees are not included in this distribution, as they have received special consideration in the distribution of ration accessory packs.

The coffee beans included in the above price decisions will be sold only on a ration basis, in accordance with distribution plans to be agreed between the Italian Government and the UNRRA Italy Mission.

ALLOCATIONS TO INDUSTRY

The Central Industrial Commission announces that 9,500 tons of steel, 7,700 tons of pig-iron and 15,500 tons of other essential metals and ores, imported by UNRRA, will be available for January allocation by the Italian Government to industries requiring these materials for essential production.

The total quantity of steel and pig-iron imported by UNRRA into Italy to date amounts to 35,500 tons. The 15,500 tons of other metals and ores include manganese ore, wolframite, chromite, nickel, asbestos, special anthracite for electrodes, blister copper, molybdenite and tinplate.

Industrialists may now make bids for allocations on a total of more than 45,000 tons of 30 different essential industrial materials. This is the second major series of industrial allocations. The first, in November, covered a total of 70,000 tons of raw materials. These materials are part of the UNRRA raw material import programme designed to help in the re-

Declassified E.O. 12356 Section 3.3/NND No. 765020

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Chicken haddie and ground fish, including ground pilchards, will be issued only to approved industrial and communal messes in urban centres. The other fish and the meat products will be issued only to special classes, on authorized ration scales.

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Continued on Page 6

Declassified E.O. 12356 Section 3.3/NND No. 785020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(23 - 28 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sfinge	Venice	23 November	It. Government	Minerals	4,200
Adjutant (1)	Naples	24 »	UNRRA	General	350
Alisa	»	» »	»	»	1,332
Olancho	Catania	» »	»	Cereals	5,399
Ulisse	Palermo	» »	It. Government	Minerals	3,430
Bestik	Leghorn	25 »	UNRRA	»	3,612
Halaula Victory	Naples	» »	»	General	2,983
Mont Alta	Bari	» »	»	»	2,547
Katoomba	Genoa	» »	»	Minerals	803
Nereus	»	» »	Swiss	Cereals	8,690
City of Athens	»	26 »	UNRRA	General	11
Penelope	»	27 »	»	General Cereals	2,838 5,513
Cape Nun	»	» »	»	Wool	147
Burbank Victory	»	» »	»	General	1,773
Meridian Victory	»	» »	»	»	1,385
Bravo	Genoa	28 »	»	»	120
American Press	Venice	» »	»	»	1,207
Cervino	La Spezia	» »	It. Government	Minerals	7,300

NOTE: (1) Also discharged at Genoa.

LATEST COAL SHIPMENTS

(22 - 27 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Arunah S. Abell	Venice	22 November	United States	UNRRA	9,965
Teresa Schiaffino	Savona	24 »	Germany	»	7,148
Charles N. Cole	»	» »	United States	Swiss	9,608
Florence Martus	Genoa	» »	» »	UNRRA	9,342
Chem Jones	Venice	» »	» »	It. Gov.	8,667
Hollypark (1)	Ancona	» »	South Africa	UNRRA	5,080
Nirvo	Bagnoli	25 »	Germany	»	7,504
Joseph C. Lincoln	Genoa	26 »	United States	»	9,364
Bullaren	»	27 »	South Africa	»	5,028

962

Declassified E.O. 12356 Section 3.3/NND No. 765020

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Sfinge	Venice	23 November	It. Government	Minerals	4,200
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Halaula Victory	Naples	» »	»	General	2,983
Mont Alta	Bari	» »	»	»	2,547
Katoomba	Genoa	» »	»	Minerals	803
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SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Arunah S. Abell	Venice	22 November	United States	UNRRA	9,295
Teresa Schiaffino	Savona	24 »	Germany	»	7,148
Charles N. Cole	»	» »	United States	Swiss	9,608
Florence Martus	Genoa	»	» »	UNRRA	9,342
Chem Jones	Venice	» »	» »	It. Gov.	8,667
Hollypark (1)	Ancona	» »	South Africa	UNRRA	5,080
Nirvo	Bagnoli	25 »	Germany	»	7,504
Joseph C. Lincoln	Genoa	26 »	United States	»	9,364
Ballaren	»	27 »	South Africa	»	5,028
Charles A. Dana	Civitavecchia	» »	United States	»	9,435
Baron Stranraer	Leghorn	» »	South Africa	»	5,350

NOTE: (1) Also discharged at Bari.

962

Declassified E.O. 12356 Section 3.3/NND No. 785020

Continued from Page 4

ALLOCATIONS TO INDUSTRY

Firms which require allocations of these materials should apply immediately to their appropriate Sub-Commission of the Central Industrial Commission. Application forms may be obtained at the local UPIC (Ufficio Provinciale Industria e Commercio). The forms, duly completed, must be returned to UPIC, to be forwarded to the Sub-Commission.

Allocations will be made in accordance with the national importance of the products to be manufactured. Upon completion of the allocation plan, those firms receiving allocations will be informed of the terms of delivery.

The following are the quantities and specifications of the steel, pig-iron and other metals and ores available.

Steel	tons
Bars	473
Hot rolled steel bars	48
Sheets	3,727
Shelter sheets 21000 ea.	500
No. 16 and 21 sheets	440
Corrugated sheets	1,700
Cold rolled steel corrugated sheets	17
Galvanized steel sheets	19
Steel reinforcements	422
Lead bearing steel billets	1,707

Pig Iron

Foundry grade
Hematite with percentages
from 1.9 to 2.1 Si.
,, 0.76 ,, 0.83 Mn.
,, 0.027 ,, 0.032 S.
,, 0.12 ,, 0.15 Ph.

For refining with percentages
from 0.75 to 1.25 Si.
,, 0.60 ,, 1.5 Mn.
,, 0.03 ,, 0.05 S.
,, 0.12 ,, 0.3 Ph.

Other Metals and Ores

	tons	
Manganese ore	201	
Wolframite	100	(from Portugal, containing 65 % Wo_3, 0.7 % Sn., 0.3 % As.)
Chromite	4,006	(containing 45 % Cr_2O_3)
Nickel	170	(electrolitic nickel in catodes, from Canada)
Asbestos	3,711	(Canadian dust asbestos No. 7)
Special anthracite for electrodes	2,000	(containing less than 5 % ash)
Blister copper	3,777	
Molybdenite	330	

FORAGE PEA SEED

The price of 4,500 lire per quintal for forage pea seed recommended by the Price Committee on 31 October, and now approved by the Italian Government and the UNRRA Italy Mission, follows the agreement recently reached by the Mission with the Ministry of Agriculture for stricter control of the stocks of UNRRA-imported supplies that are still available for distribution. The price now fixed is "ex Consorzi Agrari Provincial warehouses or agency stores." The seed will be available exclusively for mixing with other seeds for the formation of approved seed mixtures.

A price of 2,500 lire per quintal for 940 tons of forage pea seed imported on the UNRRA agricultural rehabilitation programme was fixed by the Price Committee at its meeting on 18 June. This price was originally valid only until 31 July, but the period was later extended to 15 September.

Stocks Unsold

Stocks in warehouses still unsold on 15 September were 180 tons, but investigations revealed that in previous sales some of the seed had been sold through middlemen for purposes other than those for which the seed was brought in, such as grinding for fodder and sale for direct human consumption. Timely action enabled approximately 36 tons of seed wrongfully disposed of to be recovered, and this has now been returned to stock, bringing the total to 216 tons.

By the terms of the agreement between the Ministry of Agriculture and the UNRRA Italy Mission, all forage pea seed is to be mixed with other seed, to form standard mixtures, according to specified formulae. All sacks will carry a label showing the mixture they contain.

The Ministry of Agriculture will be responsible for checking the mixtures, and (in agreement with UNRRA) establishing their sale price. The Federazione dei Consorzi Agrari will supervise mixing operations, the movement of seeds and their distribution to farmers; and will supply the Ministry of Agriculture and UNRRA with lists of farmers buying this mixed seed, specifying the quantity purchased

declassified E.O. 12356 Section 3.3/NND No. 765020

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Shelter sheets 21000 ea.	500
No. 16 and 21 sheets	440
Corrugated sheets	1,790
Cold rolled steel corrugated sheets	17
Galvanized steel sheets	19
Steel reinforcements	422
Lead bearing steel billets	1,707

Pig Iron

Foundry grade
Hematite with percentages
from 1.9 to 2.1 Si.
„ 0.76 „ 0.83 Mn.
„ 0.027 „ 0.032 S.
„ 0.12 „ 0.15 Ph.

For refining with percentages
from 0.75 to 1.25 Si.
„ 0.60 „ 1.5 Mn.
„ 0.03 „ 0.05 S.
„ 0.12 „ 0.3 Ph.

Other Metals and Ores

	tons	
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Asbestos	3,711	(Canadian dust asbestos No. 7)
Special anthracite for electrodes	2,000	(containing less than 5 % ash)
Blister copper	3,777	
Molybdenite	330	
Tinplate	1,341	

mittee on 31 October, and now approved by the Italian Government and the UNRRA Italy Mission, follows the agreement recently reached by the Mission with the Ministry of Agriculture for stricter control of the stocks of UNRRA-imported supplies that are still available for distribution. The price now fixed is "ex Consorzi Agrari Provincial warehouses or agency stores." The seed will be available exclusively for mixing with other seeds for the formation of approved seed mixtures.

A price of 2,500 lire per quintal for 940 tons of forage pea seed imported on the UNRRA agricultural rehabilitation programme was fixed by the Price Committee at its meeting on 18 June. This price was originally valid only until 31 July, but the period was later extended to 15 September.

Stocks Unsold

Stocks in warehouses still unsold on 15 September were 180 tons, but investigations revealed that in previous sales some of the seed had been sold through middlemen for purposes other than those for which the seed was brought in, such as grinding for fodder and sale for direct human consumption. Timely action enabled approximately 36 tons of seed wrongfully disposed of to be recovered, and this has now been returned to stock, bringing the total to 216 tons.

By the terms of the agreement between the Ministry of Agriculture and the UNRRA Italy Mission, all forage pea seed is to be mixed with other seed, to form standard mixtures, according to specified formulae. All sacks will carry a label showing the mixture they contain.

The Ministry of Agriculture will be responsible for checking the mixtures, and (in agreement with UNRRA) establishing their sale price. The Federazione dei Consorzi Agrari will supervise mixing operations, the movement of seeds and their distribution to farmers; and will supply the Ministry of Agriculture and UNRRA with lists of farmers buying this mixed seed, specifying the quantity purchased and the selling price.

1004
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1005

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Telephone
Rome 489081 Ext 209

LAND FORCES SUB COMM. AC (MMLA) CMF

INT/232

17 Jan 47

Public Relation HQ AC

Subject: AC Weekly Bulletin

As BLUs are disbanding the number of AC Weekly Bulletin you have been sending to this HQ may now be reduced to 6 copies only.

Lt Col,
GS, MMLA.

CEC/ob

1006

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Telephone
Rome 489081 Ext 209

LAND FORCES SUB COMM. AC (MMIA) CMF

LNT/252

17 Jan 47

Distribution Centre
HQ AC

Subject: Economic Notes.

As BLUs are now disbanding the number of Economic Notes you have been sending to this HQ may now be reduced to 6 copies only.

Lt Col,
GS, MMIA.

CEC/ab

960

December 2, 1946 Vol. III, No. 33

ALLIED COMMISSION

WEEKLY BULLETIN

PUBLISHED BY PUBLIC RELATIONS BRANCH, HEADQUARTERS, ALLIED COMMISSION, APO 794

POLITICAL

Italy's editors statesmen and people looked with anxious eyes toward New York this week awaiting news of progress from the parallel discussions affecting Italy's future that continued to be carried on in the Council of Foreign Ministers and between the representatives of Italy and Yugoslavia.

From the Council of Foreign Ministers the news, more or less authoritative came out in dribbles. There was no evidence of swift completion of agreement in the matter of Trieste but such details of the discussion as the press was able to report indicated that progress was being made. On 22 November *Messaggero* reported that differences within the Council had been reduced to two (*a*) the date of withdrawal of troops from the Free Territory following signature of the treaty and (*b*) the question of customs union between the Territory and Yugoslavia. To these ANSA added the question of control of railways linking the territory with Yugoslavia.

In the matter of withdrawal of the troops Molotov had been reported the previous week as declaring that general agreement was possible in the near future if Byrnes and Bevin would consent to fixing the date of withdrawal of troops four months after the signature of the treaty. According to ANSA, Molotov at the session of 22 November reiterated his stand indicating that the continued presence of troops might exert undue influence on the elections. ANSA reported that on 23 November Secretary Byrnes proposed that all foreign troops be withdrawn simultaneously 45 days from the date on which the Governor should notify the Security Council of the United Nations that police forces of the Territory were able to maintain order and security without the aid of such troops. Molotov is said to have disagreed with this.

As to the other two points of disagreement, the customs union and control of the railways, yield on the question of the customs union but not on control of the railways. The Russian Foreign Minister's emphasis on the point seems borne out by ANSA's dispatch published on 24 November which declared that Molotov had proposed that if his views concerning control of the railways were accepted, he would consent to inclusion of the Italo-Austrian agreement (on the Alto Adige) in the peace treaty. *Popolo* carried this report under the heading "The Four in New York – Strange deals but no results".

Reports.

But there were some results. On 28 November, *Tempo* carried a *France Press* dispatch to the effect that the following agreements had been reached: (1) Allied troops will be withdrawn four months after the Governor has been appointed; (2) The Governor will be appointed by the United Nations Security Council after consultation with the Italian and Yugoslav Governments; (3) The Governor will select the members of the provisional Government after consulting Italy and Yugoslavia; (4) Elections will be held not later than four months after the Governor's appointment; (5) The Governor will take office after the treaty has been ratified. Until such time, the Military Government will continue to administer the Territory, the paper said. On the following day, however, *Messaggero* heralded that, with the exception of the free port question, the agreement on the Trieste Statute was an accomplished fact, as Molotov had agreed to the formula calling for the Governor to announce within 90 days from his appointment if the troops could be withdrawn or if it was advisable to retain them further. *Messaggero* also stated that United States, England and Yugoslavia would be allowed to keep 5,000 men each in Trieste after the Treaty was signed. The paper observed that the presence of 5,000 Yugoslav soldiers in the Free Territory was an important allowance obtained

939

1007 Declassified E.O. 12356 Section 3.3/NND No. 785020

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As to the other two points of disagreement, the customs union and control of the railways, exact details as to the differences in viewpoints were not released. Reuters, however, announced on 23 November that Molotov was inclined to yield on the question of the customs union but not on control of the railways. The Russian Foreign Minister's emphasis on the point seems borne out by ANSA's dispatch published on 24 November which declared that Molotov had proposed that if his views concerning control of the railways were accepted, he would consent to inclusion of the Italo-Austrian agreement (on the Alto Adige) in the peace treaty. *Popolo* carried this report under the heading " The Four in New York – Strange deals but no results ".

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959

Declassified E.O. 12356 Section 3.3/NND No. 785020

If the authoritative news emanating from the Council of Foreign Ministers was meager, that coming from the Italo-Yugoslav discussions was even more so. But at that, Italy kept a closer eye on signs of progress in the direct negotiations. The general sentiment seemed to be "Here, we are doing something ourselves". The feeling was not altogether unanimous however. At the meeting of the Council of Ministers on 21 November after a discussion of the direct negotiations during which Nenni asked for authority to discuss all matters rather than the Venezia Giulia question alone, Minister Gonella according to *Popolo* indicated some doubt as to the efficacy or even the desirability of direct negotiations, intimating that the Four now considered the Paris decisions as final and expressing concern lest such negotiations foment antagonism among the Four.

Press Comment.

The feeling was shared by *Buonsenso* which declared that there was little likelihood that Marshal Tito who formerly wanted all of Venezia Giulia would be inclined to improve Italy's territorial position with respect to that fixed by the Four. Editorial feeling however, hit a new high when on 24 November *Tempo*, *Messaggero*, and *Risorgimento Liberale*, announced with large headlines that Yugoslavia continued to insist on the proposal to exchange Trieste for Gorizia and in addition demanded the cession of Monfalcone. *Unità*, *Avanti* and *Momento* seemed to soft-pedal the report with the attitude that the meetings between Simic and Quaroni were secret and it would be best to wait for an announcement from the Italian Government. Nenni was to make a report of the conversations at the meeting of the Council of Ministers on 28 November. And there, for the time being the matter rested.

The furor started by Palmiro Togliatti's charge in Leghorn that Prime Minister De Gasperi had delayed the repatriation of Prisoners of war from Yugoslavia gained new momentum this week. At the meeting of the Council of Ministers on 21 November, Nenni in response to a question by Minister Gonella absolved the Prime Minister of all blame for the delay. Scoccimarro is reported by *Popolo* to have stated to De Gasperi that Togliatti had declared that his speech had been misquoted and the Council passed a unanimous resolution to the effect that the Prime Minister had attempted to facilitate repatriation by

in which the Secretary General of the Communist Party reiterated his charges stating that in order for the repatriation delegation to start for Yugoslavia two men had to be appointed representing the Prime Minister. This, the Communist leader declared, was never done. Togliatti further charged that the Christian Democrats had carried on a strong campaign prior to the elections of 2 June to the effect that Yugoslavia did not want repatriation whereas, he said, the latter country had consented and was merely waiting for the delegation to be formed.

The repatriation question struck close to home in the minds of all Italians and the papers gave it plenty of space. *Tempo* on 23 November reported that the Government would issue a "White Book", on the issue. This however was denied by ANSA the following day. Some possibility of the Constituent Assembly's being called to judge the question was rumored but *Messaggero* declared that De Gasperi had said he would never consent to appear as a defendant before the Assembly. Be that as it may, the Ministry of Post War Relief announced on 28 November that 7,500 Italian prisoners of War were expected to arrive from Yugoslavia that day. Actually 3,100 did arrive and *Unità* reported that an additional 3,000 would arrive 29 November.

Emilia Crime Wave.

Another politically explosive question came to a head during the week with the publication by *Giornale d'Italia* on 22 November of the alleged text of the police report on the Emilia crime wave. The report, according to the paper broke down the number of criminals identified and denounced, according to their party affiliation. Out of 201 criminals thus identified, the paper declared the report stated that 137 belong to the Communist Party (including 77 former partisans), 12 to the Socialist Party, 1 to the Uomo Qualunque, and 2 to the Christian Democrat Party, while one was a former neo-fascist and 48 had no party affiliation. The report itself did not cause half the excitement as the fact of its publication by *Giornale d'Italia*. *Avanti*, stating that the report was not in possession of any Minister, demanded to know who supplied the other paper with it. *Unità* put the same question. Most of the other papers while indicating the same interest as to the source of their rival's information tackled the subject matter with screaming headlines and torrid editorials. *Risorgimento Liberale* rebuked the papers of the

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But the matter was not closed. On 22 November *Unità* published statements by Togliatti for the repatriation delegation to seek for Yugoslavia two men had to be appointed representing the Prime Minister. This, the Communist leader declared, was never done. Togliatti further charged that the Christian Democrats had carried on a strong campaign prior to the elections of 2 June to the effect that Yugoslavia did not want repatriation whereas, he said, the latter country had consented and was merely waiting for the delegation to be formed.

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1010
Declassified E.O. 12356 Section 3.3/NND No. 765020

It was reported by *Messaggero* that the report would be taken up at the meeting of the Council of Ministers on 28 November. The same paper declared that Minister Scoccimarro on behalf of the Communist Party would demand that the Council institute a further investigation carried out by a group appointed by the Constituent Assembly in order to guarantee absolute impartiality. The question was not likely to die because of the political implications contained in the report.

The Socialists.

In the realm of ordinary or garden variety politics the most significant feature this week was the threatened split within the Socialist Party. This was highlighted by an outbreak of polemics between Giuseppe Saragat and Pietro Nenni as to the future of the party particularly in relation to implementation of the pact of unity with the Communists. Saragat had expressed dissatisfaction with the threat to autonomy which he said recent Nenni actions under the pact represented. The significance of the split was emphasized by the decision to advance the meeting of the Congress of the Party to 9 January. Also, the extent of the rift was indicated by the rumor which would not be downed that the moderate trend of the Socialist Party headed by Saragat might soon form an independent party.

In the meantime the Communists continued to woo the Roman section of the Christian Democrat Party but without success. It was announced on 23 November that the Christian Democrat Secretary of the Roman Committee had sent a letter to the representative of the People's Block which had run first in the administrative elections of 10 November in which letter the offer for collaboration in the local administration was turned down. According to *Unità* of 26 November the offer was re-submitted.

On 23 November Attilio Piccioni Secretary General of the Christian Democrat Party delivered a speech at Milan which was interpreted in various political circles as an overture to the parties of the right. He declared to *Giornale d'Italia* on 25 November however that his speech had intended to re-affirm the center function of Christian Democracy. All parties however awaited "clarification" of the political solution.

ECONOMIC FRONT

726,301 tons as of 24 November. At the present consumption rate, these stocks were expected to cover requirements for 62 days. The figure of course is dependant upon the ability to move the stocks. It was reported that 25,615 tons had been signalled to arrive up to 1 December. This amount will add slightly more than two days supply to the stocks on hand.

There was still no definite assurance that the 50,000 tons of wheat allegedly being arranged for shipment from the United States, or the 80,000 tons allegedly purchased in Turkey would arrive in Italy.

Loans of wheat and flour have been made to Venezia Giulia from Udine so that these two areas are now supplied for bread and pasta up to 3 January 1947. A shipment of 8,330 tons of wheat is expected to arrive at Venice about 10 December. This increase in wheat stocks will enable the two areas to be supplied until about 25 January 1947. In the same two areas the recent arrival of 660 tons of sugar stocks will enable requirements to be met until the middle of January 1947.

Fuel.

Present estimate for December arrival of coal in Italy is 296,000 tons including 68,000 tons already shipped from the United States. The coal strike in the United States has resulted in an embargo being placed on coal exports. UNRRA, however, has announced that five ships loading in the United States at the time the embargo was imposed will sail. If this is accomplished, it will add 14,000 tons, making a total of 250,000 expected to arrive in December. UNRRA has announced that following the maritime strike it had hoped to complete the Italy coal program sometime in February. But now the organization states, the best that can be said is that coal will continue to arrive for two or three months after the end of the coal strike in the United States.

In Venezia Giulia and Udine the coal situation is serious. Of 123,000 tons approved for the second half of 1946 there was a shortage of 39,612 tons. This has been alleviated somewhat by the arrival in Trieste of approximately 9,000 tons. This shipment was originally slated for the 88th Division but inasmuch as the division has already met its winter needs the coal was diverted to AMG. This amount represents 45 % of the December requirements for the two areas.

During the past week the diesel oil situation

Declassified E.O. 12356 Section 3.3/NND No. 785020

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ECONOMIC FRONT

During the period from 1 November to 24 November, 261,688 tons of wheat were consumed, it was reported this week by the Economic Division. This has resulted in a balance on hand of

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During the past week the diesel oil situation in Italy improved owing to the arrival of a tanker on Saturday 23 November. The next tanker carrying gasoline is due to arrive about 5 December. This should relieve the tight gasoline

Declassified E.O. 12356 Section 3.3/NND No. 765020

situation somewhat. A fifth crude oil tanker has arrived from Arabia. Both the Bari and Naples refineries are now operating.

Power.

No change in the Northern Italy power situation has been reported. In Central and Southern Italy there has been some improvement as the Sila reservoirs have started to re-fill.

AIR FORCES SUB-COMMISSION

The Italian Military Courier Service has now been extended to include Udine. Unfortunately at the moment there are some accomodation problems at Udine so the daily aircraft, landing at Campoformido returns to Treviso for the over night stop. However, on 3 December, Venice Lido airport will be closed to Courier aircraft and accomodation will be made available in Udine so, from that date onward the daily north eastern schedule will be Rome, Bologna, Treviso, Udine and return.

The Southern routes have also been slightly altered. Pomigliano airfield has been closed and from 2 December all military courier aircraft landing in the Naples area will use Capodichino.

After two years good service the Autogruppo in Naples has closed down. All R.A.F. vehicles on loan to the I.A.F. in the Naples area have been withdrawn to Rome where, with the exception of three for use in the Italian Air Force Driving School, they will be serviced and stored.

Lt. Patt Favano Air Corps, Air HQ visited Bari and Lecce areas from 21 to 25 November. While there he inspected Fighter Training in the I.A.F. and made arrangements for an Air Display to be held during the first week of December.

F/Lt. J. Lord arrived at the Sub-Commission from A.H.Q. Italy and proceeded to Milan to take over the duties of Intelligence officer and Officer Commanding Milan Detachment.

To replace F/Lt. Reid Air H shortly due for repatriation to U.K., Flying Officer E. Bouh arrived at Rome Headquarters on 26 November from Bari.

LAND FORCES SUB-COMMISSION (MMIA)

Training of Field Units of the Italian Army on guard and other duties. In order to familiarize Italian officers with British methods, CMF has invited parties of Italian officers to attend British exercises whenever they wish to do so.

The Ministry of War is paying increased attention to the soldier's welfare. The difficulty here is lack of funds, and in some districts, a certain disinterestedness on the part of the local civilians from whom voluntary assistance in the matter might be expected.

In common with the rest of Italy, it seems that amenities can only be enjoyed in the Army by those who have the means of obtaining goods from the uncontrolled markets; this is one of the greatest difficulties which the Italian Army is faced with in all questions of supply, whether in the case of welfare commodities as above, or whether in the case of the military equipment which it requires.

It is now known that the last ship repatriating Italian P. W. from India will leave Bombay between 6 and 8 December 1946; this completes the mass repatriation program from India and leaves only 30 Italian P. W. (sick) who will be repatriated as soon as there is space in a hospital ship.

Repatriation is proceeding according to plan from the other parts of the British Empire, nearly 3,000 having been returned during last week. It is estimated that some 10,000 I. P. W. remain in the Balkans.

COMMUNICATIONS DIVISION POSTAL SECTION

Italy has a five year plan for the reconstruction of war damaged premises of the Ministry of Posts and Telegraphs and for the improvement of equipment throughout the approximately 11,500 Post offices in the country. This enormous scheme first estimated for, in 1944 now has to be reckoned in 1946 values and all references made to rehabilitation programs have necessarily to be amended to arrive at a reasonable state of accuracy.

All mail posted by prisoners of war and surrendered enemy personnel in Italy, for the North Western European countries has up to the present been transferred to the Civil post office at Naples by the British Army Post office authorities.

This proves to be no longer convenient and arrangements have now been made with the Italian

Declassified E.O. 12356 Section 3.3/NND No. 785020

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LAND FORCES SUB-COMMISSION (MMIA)

Training of Field Units of the Italian Army has been taking place in most districts, although its realism has suffered as a result of the depleted strength of units and the number of men employed

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Repatriation is proceeding according to plan from the other parts of the British Empire, nearly 3,000 having been returned during last week. It is estimated that some 10,000 I. P. W. remain in the Balkans.

COMMUNICATIONS DIVISION POSTAL SECTION

Italy has a five year plan for the reconstruction of war damaged premises of the Ministry of Posts and Telegraphs and for the improvement of equipment throughout the approximately 11,500 Post offices in the country. This enormous scheme first estimated for, in 1944 now has to be reckoned in 1946 values and all references made to rehabilitation programs have necessarily to be amended to arrive at a reasonable state of accuracy.

All mail posted by prisoners of war and surrendered enemy personnel in Italy, for the North Western European countries has up to the present been transferred to the Civil post office at Naples by the British Army Post office authorities.

This proves to be no longer convenient and arrangements have now been made with the Italian Ministry of Posts and Telegraphs for the transfer to be made at an office on the Adriatic coast instead of at Naples.

1014
Declassified E.O. 12356 Section 3.3/NND No. 785020

All letters from military personnel posted to civilian addresses in France and Switzerland have up to the present been transferred to the civilian post office authorities at Milan for onward transmission.

Milan once so busy from a military point of view has now become so bereft of khaki that it is not economical to maintain Army Post Offices in that city. The sorting arrangements of the Italian post office necessitate concentration of items for dispatches to foreign countries and the final plan agreed on between the military and civilian authorities and arranged by the Postal Section is for correspondence for these countries to be handed over at the Rome Central Station Post Office.

A commercial undertaking is desirous of conveying air mail from Venezia Giulia to other parts of Italy. Obviously, reciprocal services are desired to make the service an economical undertaking.

The only channel of approach between the Italian Ministry and the territory still controlled by Allied Military Government is through the Postal Section and the matter cannot be dealt with immediately as Internal Air Mail services throughout the whole of Italy are still only at the stage of negotiation between the Ministry and the interested companies.

ODDS AND ENDS

Lt. Col. Carlos G. Webster, Jr., (A), (Economic Division) left the Allied Commission on 27 November to return to the United States for redeployment.

Eight American officers have been assigned to 7106th Regiment and are being assigned to various Sub-Commissions, Divisions, and Branches of the Allied Commission. They are: Major George G. Maxfield, Major Alexander G. Kharitonoff, Captain Donald C. Morris, Captain Raymond C. Graves, Captain Lewis W. Gingery, First Lieutenant Thomas E. Kelley, First Lieutenant Sidney P. Dane, and First Lieutenant Frederic W. Irwin.

Captain George F. Mentz, U. S. N. formerly Chief Staff Officer of the Navy Sub-Commission was retired on 2 November and has left the Allied Commission.

Lieutenant Commander E. C. Davies, R.N.V.R., Personnel Officer of the Navy Sub-Commission has returned to the United Kingdom for discharge. He has been relieved by Lieutenant Commander P. T. Simpson-Jones, R. N. V. R.

The following promotions of enlisted men were announced in Headquarters Company, 7106th Regiment during the past week: to Staff Sergeant – Stephen Farrelly; to Sergeant – Robert H. Scoggins, Hubert N. Fiveash, and Marshall B. Fisher.

958

Declassified E.O. 12356 Section 3.3/NND No. 765020

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ECONOMIC NOTES

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The Washington Conferences were concerned with plans for the completion of UNRRA's world-wide programme of relief and rehabilitation. The aim was to prepare an accurate picture of what supplies Italy, and the other countries receiving UNRRA aid, would, and would not, get. In general, the results for Italy were good. There was in Washington real understanding and sympathy for Italy's economic burdens, and an atmosphere which promises well for Italy's future.

Deliveries Beyond December

It was confirmed in Washington that UNRRA aid should not stop on 31 December. Assistance will not end until all the UNRRA funds allocated for Italy are spent. UNRRA supplies will continue to arrive at least through the first quarter of 1947, and probably even a little later.

At the outset the Government provided the specifications for the kinds and quantities of supplies needed under the expanded UNRRA programme in Italy, which began early this year. UNRRA undertook to procure those goods in so far as world supply conditions and available funds permitted, and to deliver them to Italian ports. The Government assumed responsibility for the methods of distribution, with the advice of UNRRA.

Towards National Reconstruction

A first objective was to bring in the immediate necessities of food and medical supplies. More important, from a long-range point of view, was to lay a foundation upon which Italian industry and agriculture could take over the task of providing for the Italian people, and make a good start towards national reconstruction. That has been done.

Of the total of 10,000,000 tons of supplies programmed for Italy by UNRRA, 7,000,000 tons, worth about 275,000,000 dollars (£68,750,000 sterling), have already reached Italian ports. Those supplies, contributed free to the Italian Government by the 48 United Nations which are members of UNRRA, have been converted into power for Italian industry and transport, jobs and essential goods for Italian industrial and farm workers, food and health protection.

Declassified E.O. 12356 Section 3.3/NND No. 765020

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Aid to Italy, over the entire period of UNRRA assistance, will total the equivalent of over 400,000,000 dollars, more than 100,000

957

Declassified E.O. 12356 Section 3.3/NND No. 785020

million lire, plus the very large freight costs, which UNRRA also pays. This assistance comes from more than 20 different countries, the gift of the United Nations as a whole. Because of rising costs, this money is not buying as much food and fuel and raw materials as had been hoped. But it is still buying tremendous quantities of supplies which Italy vitally needs—grain, petroleum products, coal, medicines, fertilizers, cotton, wool and many others.

The task of procuring those supplies has been great. UNRRA is not a gigantic world warehouse from which supplies can be called forward at will. UNRRA is one applicant among many for supplies, and is completely dependent upon those supplies which the contributing nations are willing to release for export. From the beginning, military requirements have had a higher priority than UNRRA. In this period of post-war reconstruction, many countries need identically the same goods as Italy. Demands are greater than ever before, and supplies less.

Shortage of Shipping

Supplies and funds available have not been the only problem. There is also the key problem of shipping. UNRRA must depend upon the shipping space available. Until mid-year, this was still difficult to get. The recent maritime strikes caused a recurrence of the shipping shortage for two months and resulted in a delay of many weeks in the arrival of some UNRRA imports. But, provided there are no more strikes, shipping should not be a major problem again.

In spite of unexpected difficulties, delays and strikes, UNRRA has already brought in almost three-quarters of the supplies programmed for Italy. During October, for example, in spite of the United States maritime strike, UNRRA goods made up nearly 400,000 tons of about 600,000 tons actually discharged. UNRRA brought in almost 90 per cent. of the October coal imports.

Almost 75,000,000 dollars' worth of UNRRA bread-cereals, not including freight costs, have been delivered to Italy to date. This means that about one-fourth of the bread purchased on Italian ration cards this year has come from UNRRA cereals.

by value, of UNRRA food supplies programmed for Italy have arrived and the great bulk of these have already been eaten. This represents food for the general population, as well as special assistance for the needy children and mothers.

In fulfilment of its medical programme, UNRRA has delivered more than 6,000 tons of hospital equipment, penicillin, DDT, ambulances and drugs—more than two-thirds, by value, of the programme of medical and sanitation supplies.

Industrial Production Doubled

During the period of UNRRA assistance, Italian industrial production has about doubled and now stands at about 65 per cent. of the pre-war level—though naturally, the effect of the maritime and coal strikes will temporarily reduce this level.

Among recent UNRRA deliveries has been the arrival during the past month of 4,500 more tons of rubber. Factories and homes in heavily damaged areas are being reconstructed with building materials produced and transported, thanks to UNRRA-imported fuel. During November, the Government allocated to industrial users 70,000 tons of strategic UNRRA materials—including pig-iron, manganese and chromite for steel-making; colophony for soap, paper and other industries; coal tar solvents for a wide range of essential industrial processes; and copper for the railways. Additional quantities of key industrial materials have arrived and will shortly be available for allocation.

Of the total industrial rehabilitation supplies scheduled for Italy, substantially more than 5,000,000 tons have already arrived and the programme is about 70 per cent. complete.

Help for Agriculture

In the agricultural programme, 14,000 tons of seed, notably potato and forage seed, have already reached Italy. UNRRA has provided pesticides, and more than 50,000 tons of fertilizer. Of about 300 tractors scheduled for Italy, half have already arrived and have been turned over to the Government for use in the proposed tractor-pool programme. That plan, formulated by the Ministry of Agriculture, is

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Of the edible fats and oils programmed for Italy, 34,000 tons have already been delivered. Fifty-three thousand tons of sugar were brought in during the deficiency period prior to the harvest. In general, about 65 per cent., mothers.

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Declassified E.O. 12356 Section 3.3/NND No. 765020

domestic tractor production and these machines will not be available for private purchase.

To help to provide clothing and blankets for Italians who need them most—at prices they can afford to pay—UNRRA has delivered almost 35,000 tons of raw cotton and more than half of a scheduled programme of 30,000 tons of raw wool. Under the plan now being administered by the Government's newly-created UNRRA-Tessili organization, some of these textiles are already in production. About one-third of the cotton goods will be distributed to the neediest, free of charge. The remainder will be sold at very low prices, based solely on the cost of manufacture, and not including the cost of raw materials. A plan for wool textiles is also being developed by the Government.

Special praise is due to Italy's dock and railway workers for the speed with which they have unloaded and moved UNRRA supplies. At peak, Italy's ports have handled more than a million tons a month, equalling and exceeding pre-war records with far less equipment. Some 4,000 tons of port equipment purchased by UNRRA from military surplus, are now beginning to arrive and should facilitate port operations.

Grain a World Problem

The world grain situation is causing concern throughout both hemispheres. There is not, and will not be, enough grain to meet all the world's demands in the coming months.

The Italian Government and UNRRA are working in the closest co-operation to promote the earliest possible arrival of bread cereals, and to put Italy in the best possible position to continue to procure cereals between the end of the UNRRA programme and the next harvest. The Government, on its own account, is in direct contact with grain supplying countries. The amassing returns show great improvement over last year, although the results are still not good enough in the light of the world grain shortage. As a result of new amassi enforcement measures, UNRRA is hopeful that the collection goals will soon be met, at least in most provinces.

UNRRA wishes to compliment the Government on the new programme to control the collection and distribution of olive oil and some animal fats. The Mission is hopeful that these measures will make possible [illegible]

UNRRA—have suffered somewhat on account of strikes in the United States—first, the coal strike in April, then the maritime strikes in September and October and now the new coal strike. UNRRA had hoped to have the entire UNRRA coal programme—more than 5,500,000 tons—delivered to Italy by January. With the end of the maritime strikes, it looked as if UNRRA could complete those imports some time in February. Now the most that can be said is that UNRRA coal will continue to arrive for two or three months *after* the end of the United States coal strike.

200,000 Tons of Coal in November

The remaining UNRRA coal imports scheduled for Italy are somewhat more than 1,000,000 tons. At the moment, and probably for the duration of the coal strike, there is an embargo on coal exports from the United States. It must be pointed out, however, that UNRRA succeeded in loading more than 200,000 tons from the United States for Italy this month before the embargo was imposed. The Mission is fairly confident of getting between 100,000 and 150,000 tons monthly from non-United States sources. At the same time, UNRRA is calling upon the European Coal Organization to review the effects of the United States coal strike on Italy's position, and this may possibly result in slightly increased allocations from European sources. Orders have gone to UNRRA offices in all coal-producing countries to try to get more coal for Italy from anywhere in the world.

With coal, as with grain, UNRRA and the Italian Government are taking joint action to minimize the harmful effects of present shortages. It is clear that rigid conservation measures will be necessary in Italy for the duration of the strike. The situation will not be good, but by careful husbanding and utilization of coal reserves on an emergency basis, Italy's industrial economy will pull through. All industrial coal users are urged to re-examine the possibility of converting to fuel-oil wherever possible, especially since from the long view, it may be more economical to look to fuel-oil rather than coal as a continuing source of fuel.

956

Adequate Supplies of Liquid Fuel

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1020 Declassified E.O. 12356 Section 3.3/NND No. 785020

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UNRRA wishes to compliment the Government on the new programme to control the collection and distribution of olive oil and some animal fats. The Mission is hopeful that these measures will make possible some improvement in the outlook for fats.

Coal imports—the great bulk of which during the past year have been provided by coal strike. UNRRA had hoped to have the entire UNRRA coal programme—more than 5,500,000 tons—delivered to Italy by January. With the end of the maritime strikes, it looked as if UNRRA could complete those imports some time in February. Now the most that can be said is that UNRRA coal will continue to arrive for two or three months *after* the end of the United States coal strike.

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With coal, as with grain, UNRRA and the Italian Government are taking joint action to minimize the harmful effects of present shortages. It is clear that rigid conservation measures will be necessary in Italy for the duration of the strike. The situation will not be good, but by careful husbanding and utilization of coal reserves on an emergency basis, Italy's industrial economy will pull through. All industrial coal users are urged to re-examine the possibility of converting to fuel-oil wherever possible, especially since from the long view, it may be more economical to look to fuel-oil rather than coal as a continuing source of fuel.

956

Adequate Supplies of Liquid Fuel

With the end of the shipping strike, liquid fuels are arriving in Italy in substantial quantities once more, and it is likely that adequate supplies will be available for essential

1021
Declassified E.O. 12356 Section 3.3/NND No. 765020

purposes in December and January. According to present plans, in February the Government will begin to take over from UNRRA the delivery of petroleum for civilian requirements, and UNRRA imports will cease completely shortly thereafter.

More and more, UNRRA petroleum imports will be crude oil, now beginning to be processed in the refineries at Bari and Naples. It is expected that by the end of the UNRRA programme, Italy's refineries will be producing a substantial percentage of the country's petroleum needs. This important step forward in Italy's industrial rehabilitation has already resulted in savings of foreign exchange, since crude oil is less expensive and, therefore, saves the Government's money.

Transition Period

In the transition period, when UNRRA imports cease and Italy takes over the task of providing its own essential supplies, UNRRA's primary concern is to try to avoid any break in the supply line—at least to the extent that the supply line is controlled by the Italian Government and UNRRA.

Obtaining supplies during this transition period involves not only finding the necessary foreign exchange and shipping, but also finding the supplies. As a result of several months of joint planning by the Government and UNRRA, the administrative machinery and the organization of shipping during the transition period are well in hand. Financially, it appears likely that the Government, through its careful planning, will be able to cover the three basic commodities of grain, coal and petroleum products. The real problem for the Italian Government will be, as it has been for UNRRA, to find the supplies in the world's granaries, mines and storehouses at a time when the demand will still be in excess of what is available.

Imports to Meet Essential Needs

In UNRRA's view, there should be no relaxation in the care taken in the distribution and utilization of UNRRA imports, to ensure that these are used for the purpose for which they were intended. Nitrates have been given to Italy by the United Nations for bread

given to Italy to move food, and for essential services—not for pleasure driving and motor races.

Misuse of UNRRA imports does not hurt UNRRA; it hurts the Italian people and Italy. There is no surer way to alienate friendly world opinion than by misuse of supplies contributed for relief and reconstruction.

UNRRA imports are not only providing jobs and goods for Italians, but by providing a "floor" for the Italian economy, they have also made it possible for Italian industry to build up its production capacity for export, and thereby to augment its foreign exchange and credit position.

To retain, and further improve, that position during 1947, Italy will need some outside assistance to meet its food bill, to avoid using for food such foreign exchange as will be available. If that exchange capacity is exhausted in the purchase of food, it will mean an inevitable retardation of industrial recovery. As much as possible, those foreign earnings will need to be put back into industrial production. If this can be achieved, the prospects are good that Italy will by the end of 1947 be in a sound position to make its bids in international markets for a continuing supply of essential imports.

MORE STEEL PRODUCED

In spite of short supplies, the Italian steel industry has shown marked progress throughout the first three-quarters of the year. The monthly output of steel more than doubled from only 55,529 tons in January to 123,782 tons in September. Production of pig iron, which was only 3,429 tons in January, increased to 29,724 tons. Output of ferro-alloys, which amounted to no more than 257 tons in January and ceased completely in February, had, in September, risen to an estimated 4,960 tons.

The September figures for steel output were lower by 50,000 tons—or approximately 29 per cent.—than the pre-war (1935-37) average of 175,000 tons a month. Pig iron production was a little under half.

During 1935-37, production averaged 2,104,000 tons, and consumption 2,313,871

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Imports to Meet Essential Needs

In UNRRA's view, there should be no relaxation in the care taken in the distribution and utilization of UNRRA imports, to ensure that these are used for the purpose for which they were intended. Nitrates have been given to Italy by the United Nations for bread cereals, not for tobacco and luxury crops. Grain has been provided for rationed bread, to be used in accordance with Government regulations and legal extraction ratios—not for white bread and pastries. Gasoline has been Italy. There is no surer way to alienate friendly world opinion than by misuse of supplies contributed for relief and reconstruction.

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During 1935-37, production averaged 2,104,000 tons, and consumption 2,313,871 tons a year. The average production of pig iron for the same period was 721,000 tons. Some 370 plants were producing iron and steel, giving employment to over 56,000 workers.

Declassified E.O. 12356 Section 3.3/NND No. 785020

production fell in 1945 to no more than 15 per cent. of this pre-war average—partly on account of war damage to plant, but chiefly on account of the shortage of supplies, particularly coal, and shortage of hydro-electric power. Over-all war damage was approximately 25 per cent. During 1945-46, however, rebuilding and reconstruction have restored the industry to 85 per cent. of its pre-war capacity.

Steady Rise in Production

The following table shows, month by month, the steady rise, since the beginning of the year, in the production of steel, pig iron, and ferro-alloys. The slight set-backs in the output of steel and pig iron in August and of ferro-alloys in July and August were due to summer holidays. As will be seen, production of ferro-alloys was negligible for the first three months of the year.

	Steel Tons	Pig Iron Tons	Ferro-Alloys Tons
January	55,529	3,429	257
February	57,207	2,265	—
March	69,847	2,438	399
April	81,033	9,812	2,262
May	95,867	16,068	4,009
June	101,313	20,508	4,064
July	112,954	28,817	3,230
August	111,163	26,217	3,080
September	123,782	20,724	4,000 *

* *Note*: September production of ferro-alloys is estimated.

Plans drawn up last year by the Allied Commission and the Italian Government to restore the steel industry could not become effective until very late in 1945. Since then, UNRRA has rendered considerable assistance in the re-establishment of Italy's steel industry, which is to a very high degree dependent upon imports. For every ton of steel produced, one ton of raw material must be imported from abroad.

Pre-War Consumption

During the years before the war in which steel production was highest, the industry consumed annually about 1,600,000 tons of imported coal, and 300,000 tons of coal (in the form of lignite and anthracite) from home sources, including coal from the Arsa mines in Istria, which [illegible] were 915,000 tons in 1935; but fell to 365,000 tons in 1936.

Most of the other basic commodities essential to the steel and ferro-alloy industry, such as manganese ore, wolframite, molybdenite, chromite, chromium, graphite, tin, copper and nickel have always had to be imported. Italy, too, has always had to import foreign finished steel products to supplement home production. In 1938, semi-finished products for industry—most of which went into iron and steel processing—represented 22 per cent. of the country's total imports.

To meet Italy's requirements of steel, semi-finished steel and raw materials for steel production, UNRRA had up to 31 October, imported the following:—

	Tons
Coal	454,000
Pig iron	12,770
Fuel oil	12,500
Lubricants	1,285
Semi-finished steel	1,707
Manganese ore	10,000
Tin	20
Copper	500
Nickel	1,056
Petroleum coke	5,000
Anthracite	8,000

Note: Arrivals during November include 7,800 tons of pig iron, 1,000 tons of chromite and 100 tons of wolframite.

The prices fixed by the Price Committee for pig-iron, and a range of finished and semi-finished steel products are published in this issue, together with the prices for nickel, ferro tungsten and graphite for steel-making. The prices fixed for manganese ore and chrome ore were published in *Economic Notes* No. 42, of 1 November.

Pig Iron and Steel

World shortages, strikes, and readjustment of import priorities to meet more pressing needs, have resulted in very considerable changes in the programme originally put forward by UNRRA for the rehabilitation of the steel industry. UNRRA has contracted for a total of 53,845 tons of pig iron for Italy and it is hoped to secure a further 94,640 tons from Australia, but negotiations are not yet complete. Approximately two-thirds of the steel which UNRRA is sending to Italy has already been shipped.

955

Declassified E.O. 12356 Section 3.3/NND No. 765020

power. Over-all war damage was approximately 25 per cent. During 1945-46, however, rebuilding and reconstruction have restored the industry to 85 per cent. of its pre-war capacity.

Steady Rise in Production

The following table shows, month by month, the steady rise, since the beginning of the year, in the production of steel, pig iron, and ferro-alloys. The slight set-backs in the output of steel and pig iron in August and of ferro-alloys in July and August were due to summer holidays. As will be seen, production of ferro-alloys was negligible for the first three months of the year.

	Steel Tons	Pig Iron Tons	Ferro-Alloys Tons
January	55,529	3,429	257
February	57,207	2,265	—
March	69,847	2,438	399
April	81,633	9,812	2,262
May	95,867	16,068	4,009
June	101,313	20,508	4,064
July	112,954	28,817	3,230
August	111,163	26,217	3,680
September	123,782	29,724	4,960 *

* *Note*: September production of ferro-alloys is estimated.

Plans drawn up last year by the Allied Commission and the Italian Government to restore the steel industry could not become effective until very late in 1945. Since then, UNRRA has rendered considerable assistance in the re-establishment of Italy's steel industry, which is to a very high degree dependent upon imports. For every ton of steel produced, one ton of raw material must be imported from abroad.

Pre-War Consumption

During the years before the war in which steel production was highest, the industry consumed annually about 1,600,000 tons of imported coal, and 300,000 tons of coal (in the form of lignite and anthracite) from home sources, including coal from the Arsa mines in Istria, which are now under Yugoslav control. Yearly imports of pig iron ranged from as much as 153,000 tons in 1935 to only 30,000 tons in 1937. Imports of iron and steel scrap chromite, chromium, graphite, tin, copper and nickel have always had to be imported. Italy, too, has always had to import foreign finished steel products to supplement home production. In 1938, semi-finished products for industry—most of which went into iron and steel processing—represented 22 per cent. of the country's total imports.

To meet Italy's requirements of steel, semi-finished steel and raw materials for steel production, UNRRA had up to 31 October, imported the following:—

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It is thanks to the timely delivery by UNRRA of 7,000 tons of anthracite for the manufacture of electrodes between March and September that 400,000 tons of steel could be

955

Declassified E.O. 12356 Section 3.3/NND No. 785020

produced in electric steel furnaces during the period of excess hydro-electric power in the summer months. In spite, therefore, of coal shortage due to the coal strike in the United States last spring, steel production steadily increased.

Full use, also, of hydro-electric power for pig iron production in electric furnaces has helped to overcome the delays in importing the programmed amounts of pig iron, on account of world shortages.

The allocation of fuel oil to steel works has permitted the conversion of plant, on a small scale, from coal; and has thus, to some extent, reduced the short-fall in production due to inadequate coal supplies.

10,000 Tons of Manganese Ore

UNRRA's programme includes 10,000 tons of manganese ore required for steel making. Approximately 50 per cent. of the available supplies are being converted to ferro-manganese at once, and will be utilized in steel production up to the end of the year. The balance will be converted during the new hydro-electric power season, beginning in March, 1947, for use later in the year.

Large supplies of fuel and raw materials have still to be imported on the UNRRA steel rehabilitation programme. Further development of Italy's hydro-electric resources will provide cheap power during the high-water season of the year, and enable industry partly to dispense with coal. It is estimated that in 1938, the output of hydro-electric power for all uses (including industry) was roughly equal to the power output from coal. Home production of pig-iron calls for the import of only a small proportion of high-grade coal and high-grade iron ore. Italy normally produces 75 per cent. of its ore requirements in the form of pyrites ash or mineral ore.

STEEL PRICE DECISIONS

The following prices for steel, pig iron, nickel and graphite have been agreed by the Italian Government and the UNRRA Italy Mission, in accordance with the recommendations passed by the Price Committee at its meetings on 24 and 31 October, and 11 Novem-

Ferro tungsten:
12 lire per kilogram per 1 per cent. contained tungsten, ex consignee's warehouse.

Special Graphite (for steel making):
32 lire per kilogram ex consignee's warehouse.

Pig iron - refining grade:
17.50 lire per kilogram ex consignee's warehouse.

Pig iron - foundry and hematite grades:
18.50 lire per kilogram ex consignee's warehouse.

Semi finished steel:

Ingots:
19.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Blooms and slabs:
20.80 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Billets and steel bars:
27.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Finished Steel:
(Sold to Ministries and Italian State Railways, for consumption in their own plants):

Corrugated sheet:
30.00 lire per kilogram ex consignee's warehouse.

Galvanized steel sheet:
30.75 lire per kilogram ex consignee's warehouse.

Reinforcing rods:
21.80 lire per kilogram ex consignee's warehouse.

Steel bars:
20.80 lire per kilogram ex consignee's warehouse.

Black steel sheets:
16.40 lire per kilogram ex consignee's warehouse.

Steel sheets:
28.75 lire per kilogram ex consignee's warehouse.

Finished Steel:
(For all consumers other than Ministries and Italian State Railways):

Hot rolled sheet:
32.50 lire per kilogram ex consignee's warehouse.

Wire rod:
34.68 lire per kilogram ex consignee's warehouse.

Plate and heavy sheet:
40.45 lire per kilogram ex consignee's warehouse.

Thin sheet and black sheet:
49.80 lire per kilogram ex consignee's warehouse.

Declassified E.O. 12356 Section 3.3/NND No. 765020

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STEEL PRICE DECISIONS

The following prices for steel, pig iron, nickel and graphite have been agreed by the Italian Government and the UNRRA Italy Mission, in accordance with the recommendations passed by the Price Committee at its meetings on 24 and 31 October, and 11 November, 1946:

Nickel:

435 lire per kilogram ex consignee's warehouse, including handling charges.

17.50 lire per kilogram ex consignee's warehouse.

Pig iron - foundry and hematite grades:

18.50 lire per kilogram ex consignee's warehouse.

Semi finished steel:

Ingots:

19.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

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20.80 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Billets and steel bars:

27.30 lire per kilogram ex consignee's warehouse (exclusive of Customs duty), plus extras, according to the Official Government Price Lists for Extras, as published in the "Official Gazette," No. 133-5, of 10 June, 1946.

Finished Steel:

(Sold to Ministries and Italian State Railways, for consumption in their own plants):

Corrugated sheet:

30.00 lire per kilogram ex consignee's warehouse.

Galvanized steel sheet:

30.75 lire per kilogram ex consignee's warehouse.

Reinforcing rods:

21.80 lire per kilogram ex consignee's warehouse.

Steel bars:

20.80 lire per kilogram ex consignee's warehouse.

Black steel sheets:

16.40 lire per kilogram ex consignee's warehouse.

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28.75 lire per kilogram ex consignee's warehouse.

Finished Steel:

(For all consumers other than Ministries and Italian State Railways):

Hot rolled sheet:

32.50 lire per kilogram ex consignee's warehouse.

Wire rod:

34.68 lire per kilogram ex consignee's warehouse.

Plate and heavy sheet:

40.45 lire per kilogram ex consignee's warehouse.

Thin sheet and black sheet:

49.30 lire per kilogram ex consignee's warehouse.

Tubes - base 1 inch:

55.55 lire per kilogram ex consignee's warehouse.

Products derived from wire rod:

46.20 lire per kilogram ex consignee's warehouse.

Declassified E.O. 12356 Section 3.3/NND No. 785020

Mushroom rail:
89.00 lire per kilogram ex consignee's warehouse.

Shaped rails:
41.70 lire per kilogram ex consignee's warehouse.

Cold rolled strip:
67.00 lire per kilogram ex consignee's warehouse.

All sections:
57.00 lire per kilogram ex consignee's warehouse.

The above prices for finished steel are exclusive of extras for thickness, size and quality, as shown in the Standard Government List for Extras.

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(17 - 22 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Sfinge	Ancona	17 November	It. Government	Minerals	7,100
Benny Skou	Genoa	18 »	UNRRA	General	5,000
Scotland	»	» »	»	Wolfram	100
				Basic Slag	2,075
Pearl Harbor	»	20 »	»	General	2,420
Joseph N. Dinand	»	22 »	»	»	2,206
Heron	»	» »	»	»	1,039
Exiria (1)	»	» »	»	»	627

NOTE: (1) Also discharged at Leghorn, but not on UNRRA Account

LATEST COAL SHIPMENTS

(17 - 22 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Josiah Tattnall	Genoa	17 November	United States	UNRRA	9,325
Gallia	»	» »	United Kingdom	»	2,002
Marshfield Victory	La Spezia	18 »	United States	»	8,091
Jacob Chandler Harper	Savona	19 »	» »	Swiss	8,903
Norruna	Bagnoli	» »	Germany	UNRRA	4,131
Hollypark	Bari	» »	South Africa	»	8,877
George Vickers	Genoa	20 »	United States	Italian Government	8,858
John G. Carlisle	Civitavecchia	» »	» »	UNRRA	9,388
Hermada	Venice	» »	Germany	»	6,700
Grover C. Hutcherson	Bari	» »	United States	»	8,762
Harold Dossett	Palermo	» »	» »	»	9,346
F. Scott Fitzgerald	Naples	21 »	» »	»	9,312
Kragujivak	Venice	» »	Yugoslavia	Commercial	4,896
Orata	Genoa	22 »	United States	UNRRA	11,168
Andalusia	Leghorn	» »	» »	»	6,543
William Cushing	Civitavecchia	» »	Bahrein	Italian Government	8,249

1026
954
Declassified E.O. 12356 Section 3.3/NND No. 785020

67.00 lire per kilogram ex consignee's warehouse. | ment List for Extras.

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Hermada	Venice	» »	Germany	»	6,709
Grover C. Hutcherson	Bari	» »	United States	»	8,6[illegible]
Harold Dossett	Palermo	» »	» »	»	9,346
F. Scott Fitzgerald	Naples	21 »	» »	»	9,312
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Andalusia	Leghorn	» »	» »	»	6,543
William Cushing	Civitavecchia	» »	Bahrein	Italian Government	8,240
Nathaniel Silsbee	Naples	» »	United States	UNRRA	8,582
Milton H. Smith	Catania	» »	» »	»	8,708

954

1020
Declassified E.O. 12356 Section 3.3/NND No. 785020

N ember 25, 1946

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ALLIED COMMISSION

WEEKLY BULLETIN

PUBLISHED BY PUBLIC RELATIONS BRANCH, HEADQUARTERS, ALLIED COMMISSION, APO 794

POLITICAL

Great Britain, France and Russia, in that order, replied officially this week to the Italian note relating to the institution of direct negotiations between Italy and Yugoslavia. The note had been handed to the Four Foreign Ministers following the unofficial proposal made by Marshal Tito through Palmiro Togliatti, Secretary General of the Italian Communist Party that Trieste remain with certain conditions under Italian sovereignty in exchange for Gorizia's being ceded to Yugoslavia.

All three notes were substantially in agreement with the American reply conveyed to Italian Foreign Minister Pietro Nenni on 12 November by the American Chargé d'Affaires in Rome, D. McK. Key. London's reply dated 14 November declared the British Government to be disposed to examine with sympathy any agreement reached by the two countries but in answer to the question put by the Italian Government, the note went on to state that Great Britain was not in a position to state whether the unofficial proposal by Tito offered the possibility for any such agreement. Initiation of direct negotiations, the British note said, was a matter for the Italian Government to decide but any agreement would be closely examined by the Council of Ministers on the basis of the resolution taken by the Four as to the Paris Conference recommendations.

As regards the question of a guarantee by the United Nations, (which had been raised by Italy as a condition for initiating direct negotiations) the note went no further than to indicate that any agreement resulting therefrom which might commend itself to the Council of Foreign Ministers would have to be incorporated in the peace treaty.

The French note handed to Nenni on 18 November declared that direct negotiations could

The Russian reply, according to the United Press, was sent by Mr. Molotov to the Italian Ambassador to Russia, Pietro Quaroni, now in the United States. According to the same press service the note declared that negotiations between the two countries concerned should be considered a strengthening of European peace if such negotiations led to a solution of the pending problems and if such solution were approved by the Four. Russia's note further made the point that such approved solution would be incorporated in the peace treaty.

It may be noted that in none of the four notes as reported in the press was there contained any direct reference to Italy's condition for starting direct negotiations, to the effect that in the event of no agreement being reached, what had been resolved by the Paris Conference should remain definitely as granted. Nor was there any reference to Italy's request contained in her note that "Tito's acknowledgment of the indisputable Italianity of Trieste be taken into consideration".

Nenni's report.

Crystallization of the Italian viewpoint was evident in the report made by Nenni to the Constituent Assembly Treaty Commission on the night of 14 November. The Foreign Minister, evidently considering the trend of the deliberations in New York City, declared once again, according to *Tempo*, that Italy could not accept territorial "mutilation", and that the country affirmed that it was impossible to consider the conclusions reached at Paris and New York as the foundation of world peace. The news of the Big Four approval of the French Line as the Italo-Yugoslav boundary had just been published and De Gasperi is reported to have said (also according to *Tempo*): "If the news reported by this morning's press is confirmed, we cannot conceal our bitter feeling over the solution reached by the Big Four with

953

1030

declassified E.O. 12356 Section 3.3/NND No. 785020

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The French note handed to Nenni on 18 November declared that direct negotiations could not but contribute to the establishment of international peace and cooperation, but pointed out that the French viewpoint was still in conformity with the decisions of the Council of Ministers and indorsed by the Paris Conference.

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953

Declassified E.O. 12356 Section 3.3/NND No. 765020

The same paper also reported that Minister Gronchi (Christian Democrat) offered an order of the day criticizing Togliatti for having "intruded into the foreign policy of the Government". Togliatti, however, is said to have retorted that he revealed Tito's offer to the press before the Government because he didn't want the offer to be buried in ministerial files. The matter was resolved when Orlando (Liberal) suggested that the subject matter of the motion was not within the competence of the Treaty Commission and Gronchi's order of the day was withdrawn.

The Statute.

In the meantime the Council of Foreign Ministers having adopted the French Line as the boundary between Italy and Yugoslavia, were considering the Statute for the Free Territory of Trieste which bid fair to be the most contentious subject of discussion. The details of the discussions were not released to the press but it was reported that Molotov had offered 14 amendments to the Trieste Statute as adopted by the Paris Conference and all 14 had been turned down by the other three members of the Council of Foreign Ministers. The United Press as carried by *Avanti* and other papers even went as far as to report that there was some possibility that Secretary of State Byrnes might be resigned to the impossibility of concluding the peace treaty with Italy and the satellites of the axis and might propose that the Council start consideration of the German issue.

The difficulties however were gradually being resolved. On 17 November it was announced that agreement had been reached as to the policing of the Free Territory. Under the agreement the responsibility of the Governor for the general enforcement of order was recognized. However the Chief of Police was to be responsible directly for order during normal times with the Governor being given authority to assume command of the police forces in times of emergency. The Governor is given authority to appoint or depose the Chief of Police but the latter has power to enroll policemen.

Messaggero also carried the news that the Governor's right of veto for all questions concerning his responsibility had been upheld. This would include the details of the statute, public order and respect of all human rights. Further indication of progress was made known by ANSA fident of an early conclusion of general agreement if Byrnes and Bevin would consent to fixing the withdrawal of American and British troops at ninety days (later reported as four months) after the signature of the treaty. At this point *Messaggero* reported that among the points under discussion were the following: special zones in the free port, customs unions, the withdrawal of troops, citizenship, and settlement of possible differences with regard to interpretation of the text of the statute.

Direct Contact.

In the meantime however the Italian delegation in New York was busy. It was reported by Reuters from New York and confirmed in the Italian press on 20 November that the Italian Ambassador to the United States Alberto Tarchiani had been instructed by his government to contact the Yugoslav representatives in New York and invite them to present concrete proposals for starting direct negotiations on the frontier question. Although there was quite a stir in the Italian press which at first saw in this activity the definite beginning of negotiations between the two countries, another view of the instructions was presented by ANSA which indicated the following day that the significance of the orders was limited to the execution of a scouting mission. Italy was still awaiting a concrete official proposal from Yugoslavia. A ray of hope was seen however, in a joint Italo-Yugoslav communiqué reported by Reuters on 21 November in which it was stated that a "long and friendly conversation had been held by Pietro Quaroni, Yugoslav Foreign Minister Stanoje Simic, Yugoslav Ambassador Sava Koszanovic and Yugoslav Vice-Foreign Minister A. Bebler.". There, the matter rested at weeks's end.

The entire week was studded with bitter polemics in the party press. On 16 November Palmiro Togliatti in a speech at Leghorn had charged the Christian Democrat party with betraying the country with its attitude toward the Trieste question. The speaker then took up the matter of repatriation of prisoners of war held by Yugoslavia and declared that in spite of hindrances of a beaurocratic nature they would soon be back in Italy, thanks to the partisans and the Communist Party.

In a communiqué issued by the Presidency

Declassified E.O. 12356 Section 3.3/NND No. 785020

he revealed Tito's offer to the press before the Government because he didn't want the offer to be buried in ministerial files. The matter was resolved when Orlando (Liberal) suggested that the subject matter of the motion was not within the competence of the Treaty Commission and Gronchi's order of the day was withdrawn.

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In the meantime the Council of Foreign Ministers having adopted the French Line as the boundary between Italy and Yugoslavia, were considering the Statute for the Free Territory of Trieste which bid fair to be the most contentious subject of discussion. The details of the discussions were not released to the press but it was reported that Molotov had offered 11 amendments to the Trieste Statute as adopted by the Paris Conference and all 14 had been turned down by the other three members of the Council of Foreign Ministers. The United Press as carried by *Acanti* and other papers even went as far as to report that there was some possibility that Secretary of State Byrnes might be resigned to the impossibility of concluding the peace treaty with Italy and the satellites of the axis and might propose that the Council start consideration of the German issue.

The difficulties however were gradually being resolved. On 17 November it was announced that agreement had been reached as to the policing of the Free Territory. Under the agreement the responsibility of the Governor for the general enforcement of order was recognized. However the Chief of Police was to be responsible directly for order during normal times with the Governor being given authority to assume command of the police forces in times of emergency. The Governor is given authority to appoint or depose the Chief of Police but the latter has power to enroll policemen.

Messaggero also carried the news that the Governor's right of veto for all questions concerning his responsibility had been upheld. This would include the details of the statute, public order and respect of all human rights. Further indication of progress was made known by ANSA which reported from New York that the final text of agreements reached at this point was being drafted by the deputies of the Four. The same press organization also reported on 19 November that Molotov had declared he was content. *Messaggero* reported that among the points under discussion were the following: special zones in the free port, customs unions, the withdrawal of troops, citizenship, and settlement of possible differences with regard to interpretation of the text of the statute.

Direct Contact.

In the meantime however the Italian delegation in New York was busy. It was reported by Reuters from New York and confirmed in the Italian press on 20 November that the Italian Ambassador to the United States Alberto Tarchiani had been instructed by his government to contact the Yugoslav representatives in New York and invite them to present concrete proposals for starting direct negotiations on the frontier question. Although there was quite a stir in the Italian press which at first saw in this activity the definite beginning of negotiations between the two countries, another view of the instructions was presented by ANSA which indicated the following day that the significance of the orders was limited to the execution of a scouting mission. Italy was still awaiting a concrete official proposal from Yugoslavia. A ray of hope was seen however, in a joint Italo-Yugoslav communiqué reported by Reuters on 21 November in which it was stated that a "long and friendly conversation had been held by Pietro Quaroni, Yugoslav Foreign Minister Stanoje Simic, Yugoslav Ambassador Sava Koszanovic and Yugoslav Vice-Foreign Minister A. Bebler.". There, the matter rested at weeks's end.

The entire week was studded with bitter polemics in the party press. On 16 November Palmiro Togliatti in a speech at Leghorn had charged the Christian Democrat party with betraying the country with its attitude toward the Trieste question. The speaker then took up the matter of repatriation of prisoners of war held by Yugoslavia and declared that in spite of hindrances of a beaurocratic nature they would soon be back in Italy, thanks to the partisans and the Communist Party.

In a communiqué issued by the Presidency of the Council of Ministers on 18 November it was strongly denied that any steps had been left untried in order to effect repatriation. The communiqué cited several. One of these caused a special furor. This was the declaration that a

1033
All Declassified E.O. 12356 Section 3.3/NND No. 785020

commission headed by Giuliano Pajetta, a Communist Deputy, had been formed to expedite repatriation. The communiqué declared that this commission had not been able to accomplish its mission because the necessary visas had not been granted by the Yugoslav Government. *Unità* declared that the failure of this mission was due to beaurocratic delays and insults and calumnies against Yugoslavia. The same paper on 20 November printed an interview with Pajetta in which he declared he was surprised to hear that he had been appointed head of any such commission. He asserted that he had talked to prominent partisans last November about the matter but had received no real help from the Government. From there on the papers quickly chose up sides with *Capitale* summing it all up in the headline, "Italian POWs in Yugoslavia have not been repatriated because De Gasperi did not want it (as Togliatti said) or because Togliatti prevented it (as De Gasperi said)".

ECONOMIC FRONT

The Economic Division reported this week that the stock of wheat available during the period 1 October to 17 November including that imported and amassed up to 13 November amounted to 1,441,120 tons. The consumption during the same period was 590,021 tons leaving a belance of 851,099 tons on hand as of 17 November. As of 17 November, statistically this amount covers a 71 day period. This period will be increased by one day when the amount of 11,853 tons signalled to arrive during November, is received. It should be noted however that the 72 day period is contingent upon the availability of transportation to move the stocks.

The Economic Division states that the above figures do not take into consideration the 50,000 tons supposedly allotted to Italy from the United States or the 80,000 tons supposedly purchased in Turkey. A conference with UNNRA officials has determined that it is impossible to obtain from the United States, confirmation of the 50,000 tons. The shipment of the 80,000 tons from Turkey will depend upon the ability of the Italian Government to charter ships. It should also be pointed out that both shipments together would amount to only 10 days supply.

In Venezia Giulia, stocks of wheat previously allocated, so much for wheat and so much for

Fuel.

It is expected that 202,000 tons of coal will arrive from the United States during November. This is 59,000 tons less than previously reported and is due to threat of strikes resulting in less coal being sent to the ports. In addition to the coal from the United States it is estimated that 150,000 tons will arrive from other sources. Based on current allocation this will result in having a stock of only 343,000 tons on hand at the end of November.

The situation with regard to motor gasoline and diesel oil is serious as tankers which had been expected to arrive during the second half of November are now reported to have been delayed. The stocks of these two products are not equally distributed over the country and it is possible that some areas may run dry before the end of the month. A slight amelioration of the situation may be made possible by the refining of the three tankers of crude oil recently arrived. This is now under way at Bari.

Power.

In Northern Italy power rationing is carried out by disconnecting all customers except essential services two days a week during the daylight hours.

In Central and Southern Italy, although there has been an improvement of temporary character in the electricity situation in Lazio and Umbria Regions the general situation remains practically the same as no important changes are reported from other regions and Sila reservoirs (Southern Italy) are almost completely empty. Power rationing is now being enforced in all Central and Southern Italy with the exception of the Rome area.

RESUMPTION OF POSTAL SERVICES WITH JAPAN

In the Communications Division's Abridged report for October 16 the following paragraph appears:

"Unregistered non-illustrated postcard mail from Great Britain to Japan has been authorized with effect from 9 October 1946".

The fuller report shows that even the postcards are restricted to matters of personal or domestic nature and that they will be conveyed to specific Islands only by surface routes.

1034
Declassified E.O. 12356 Section 3.3/NND No. 785020
952

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In Venezia Giulia, stocks of wheat previously allocated, so much for wheat and so much for pasta, have now been combined so as to support the bread and pasta ration to 31 December 1946. Stocks on hand for bread and pasta in Udine as of 11 November were sufficient to last to 28 January 1947.

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952

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These concise paragraphs do not however indicate the exact recovery that has taken place in the Postal Services throughout the world during the fifteen months since the date of Japan's surrender.

1035
Declassified E.O. 12356 Section 3.3/NND No. 765020

Japan is the last of the enemy countries with which postal services have been restored, and while authority has not yet been given to the Italian Postal administration to reopen even a restricted service to Japan, it will soon be possible to say that every part of the world is again connected by postal communications of the less intricate type.

Letters, commercial papers, packets, registered and insured services, and increased limits of weight will all follow as ordinary improvements to the reintroduced service as conditions become suitable for handling these types of traffic.

AIR FORCES SUB-COMMISSION

Control of foreign aircraft flights to and over Italian Government controlled territory will be returned to the Italian Government effective 25 November 1946.

Under the plan, all flights of foreign aircraft to and over Italian Government controlled territory must be approved by the Italian Ministry of Foreign Affairs. However, American and British civil aircraft will be permitted to land providing crews and passengers possess proper valid entry documents and that proper warning signals are sent to the Italian autorities.

Whenever clearance is sought for flights to or over Allied Military Government controlled territory, (Province of Udine and Zone A – Venezia Giulia) approval for such flights must be obtained from the Air Forces Sub-Commission, Allied Commission before the Italian Government can authorize final clearance.

The announced change-over of control will not apply to British and American military aircraft which can land in Italy provided crews and passengers are travelling under proper military authority.

Bad weather has once again greatly hampered the military courier service and although every effort is being made to deal with backlog of passengers it is inevitable that, during the winter months, some delays are bound to occur.

Wing Commander W. A. D. Collingwood, Senior Equipment Officer, F/Lt. F. Reid Air H, Lt. I. Neis Org H and Flying Officer C. Brown M. T. Staff Officer visited Air Headquarters Italy on 20 November to discuss points of general policy. During the visit, arrangements were made for the extension of the Italian Military of all aircraft and equipment to Guidonia. In spite of the waterlogged condition of the airfield all seventeen aircraft were successfully flown off and the equipment was saved through the combined efforts of I. A. F. transport and R. A. F. trucks from the Autogruppo.

LAND FORCES SUB-COMMISSION (MMIA)

During this week the recruits in the Italian recruit training centres and in various specialist schools complete their recruit training and are being posted to their units in all parts of Italy. These newly-trained soldiers will take the place of the 35,000 soldiers of the 1924-25 classes, who are now being released from service.

The British authorities plan to repatriate a maximum of 25,000 Italian PW between now and mid-January. These PW will come from E. Africa, India, S. Africa and Australia. This number represents nearly 60 % of IPW remaining in British hands.

NAVY SUB-COMMISSION

The British Admiralty has decided that in the future the necessary funds in Egyptian currency to cover the expenses of the Italian Battleships in the Bitter Lakes, and Italian warships and auxiliaries visiting Egyptian ports will have to be supplied by the Italian Government. The Minister of Marine has been asked to make arrangements to take over these payments for the month of November. In the meantime payments for the months of September and October, have, in exceptional circumstances, been made from British sources. In order to reduce the consumption of Italy Foreign Exchange the Battleships will be supplied to the fullest possible extent from Italy and all ships in transit will be provisioned to capacity prior to leaving Italian ports.

Italian minesweepers from Venice have been engaged in clearing an area inshore off Porto Lignano. This operation is being carried out to enable craft that have been built on the Stella estuary to reach the sea. Other Italian M/S groups have continued routine clearance operations. The sweepers which have completed their check sweep at the Northern entrance to the Strait of Messina have proceeded to Trapani and Palermo to begin operations off Western Sicily.

1036
Declassified E.O. 12356 Section 3.3/NND No. 765020

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On Saturday 16 November the rising Tiber threatened to flood Urbe Airfield and the italian Air Ministry ordered the immediate move

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ODDS AND ENDS

Captain Henri A. de Masi, (A), (Displaced Persons Division) has been transferred to Headquarters, 149 Replacement Battalion.

Declassified E.O. 12356 Section 3.3/NND No. 785020

1038

Declassified E.O. 12356 Section 3.3/NND No. 785020

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ECONOMIC NOTES

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CONTENTS

1. Lire Fund to Help Housing | 2. Statistical Survey - September, 1946
3. Movements of Ships

LIRE FUND TO HELP HOUSING

Recommendations for an additional allocation of more than 1,000 million lire from the Lire Fund, to speed up CASAS (Comitato Amministrativo Soccorsi ai Senzatetto) housing reconstruction projects in war devastated areas, have been made by the Lire Fund Control Committee, composed of Italian Government and UNRRA representatives.

This grant is supplementary to the 1,167 million lire which have already been allocated from the Lire Fund to CASAS. It will enable immediate loans to be made to finance the repair of a further 20,000 rooms—in addition to the 78,000 rooms scheduled for repair in the first phase of the CASAS operation, which also includes the construction of 840 new family apartments.

Emergency Measures

The present grant is purely an emergency measure to overcome delays, pending the inauguration of a very much larger programme. Its purpose is to finance a new "anticipated" labour and materials plan developed by CASAS and the Special Relief Projects Division of the UNRRA Italy Mission. A total of 1,012,500,000 lire will be allocated in the form of a recoverable advance to CASAS, to enable CASAS in its turn to make advances to needy persons who are too poor to provide either the materials or the labour they require to rebuild their homes, in anticipation of the 60 per cent. grant for which they are eligible under the Government's War Damage Contribution Scheme.

A further 12,000,000 lire will be allocated to CASAS to provide for the appointment of paid CASAS representatives in the communes in which CASAS operates. The function of these CASAS communal representatives will be to stimulate the activities of the communal reconstruction committees, supervise the speedy handling of all matters connected with the *perizie* (estimates of war damage) and operate, at communal level, the CASAS "anticipated" labour and materials plan.

Proposals have been put forward by CASAS to amend the Decree (No. 305, of 9 June, 1945), under which the War Damage Contribution Scheme operates, to give CASAS legal authority to buy in advance materials for which payment will be deducted from the *perizie*. It is proposed also that, since the CASAS programme is expressly directed towards helping the most needy among homeless war-displaced Italians, priority should be given to the settlement of the war damage grants awarded to those who have received financial help from CASAS.

Funds Available Immediately

In view, however, of the urgent need to provide shelter quickly for as many people as possible, the Lire Fund Control Committee

951

1039

Declassified E.O. 12356 Section 3.3/NND No. 785020

has agreed to make the funds available immediately, without waiting for the formal legislative amendments; and the Minister of Public Works has undertaken to reimburse CASAS for advances in respect of "anticipated" labour and material, made in the interim period. Such reimbursements will be made at the time of settlement of the war damage claims of the persons assisted.

"Anticipated" Materials and Labour

The purpose of the Fire Fund advances, all of which will ultimately be recoverable, is twofold. (See the preliminary reference to the plan in Issue No. 39 of *Economic Notes*, of 11 October.)

The Fund will be used to purchase "anticipated" materials. The Genio Civile (whose functions correspond broadly with those of a Borough Surveyor in English Local Government administration) is empowered, by Article 18 of the Decree relating to war damage claims, to purchase building materials for needy householders on account of the eventual 60 per cent. war damage grant. In practice, however, serious difficulties have arisen. By using the fund for the purchase of materials in those instances where the Genio Civile is temporarily unable to do so, CASAS hopes to ensure a steady flow of building materials to all needy persons entitled to them in its areas of operations.

But provision of "anticipated" building materials represents only half the problem; for even where materials have been "anticipated" and delivered free of any charge for road haulage by CASAS trucks, the householder has still to pay for the necessary skilled labour before he can repair his war-damaged home. Payment for a proportion of this labour can ultimately be recovered through the 60 per cent. Government grant, but thousands of householders are far too poor to pay for this labour out of their own resources in the meantime.

Needs of the Very Poor

This problem grows progressively more serious. As houses with comparatively light damage are repaired, the proportion of those which need virtually to be rebuilt becomes steadily higher. Again, the number of householders who can afford somehow to find the money in advance for repairs or reconstruction is steadily being reduced, leaving a "hard core" of the very poor who need loans to pay both for labour and materials. CASAS estimates that approximately 55 per cent. of the needy homeless fall within this category.

Tragedy of Unfinished Work

"It is a tragedy to think of houses that are built half way up and then abandoned—at least for the time being—because the 'little people'—artisans, labourers and the like—whose homes they are to be, cannot find the money or the credit to finish the job," said Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, who has just completed a personal tour of some of the CASAS operations in the Abruzzi.

"This is a tragedy which is, in fact, happening. In one badly shattered village I saw eight houses that could be finished with a few truckloads of materials. Work has stopped because a very small additional sum of money is not forthcoming. We have made special plans to get over that particular difficulty, and I hope that the advances from the Lire Fund to CASAS will help to prevent this in the future.

"I talked with one poor man who had managed to raise the money to buy the necessary materials to repair his cottage and had then persuaded a mason friend to do the job for him—on credit. That was months ago. He has his cottage, but he owes his friend 30,000 lire, which he cannot possibly pay until he receives his war damage grant—and in the meantime the mason, himself a man in a small way of business, has to carry his friend's bad debt."

CASAS is now able to make cash advances (up to 18 per cent. of the total war damage claim) to those who are unable to provide the essential skilled labour. Such advances will be strictly controlled, and will be specifically earmarked for skilled labour charges.

Mr. Keeny Tours Abruzzi

In the course of a three-days tour of the Abruzzi, Mr. Keeny visited Ortona, Orsogna, Colledimacine, Roccaraso and Castel di Sangro. It was at Colledimacine, which was 90 per cent. destroyed, that the Friends' Devastated Areas Group, 16 months ago, repaired their first rooms.

Throughout the Abruzzi, up to date, CASAS has already repaired, or reconstructed 10,215 rooms, and work is in progress on the repair, or reconstruction of another 6,190 rooms. Entirely new homes now in course of construction will provide another 794 rooms.

1040

Declassified E.O. 12356 Section 3.3/NND No. 785020

In all, it is estimated that CASAS will have rehoused approximately 20,000 people in the Abruzzi before Christmas.

Approximately one-third of the entire CASAS programme is at present concentrated in the Abruzzi. CASAS has, throughout Italy, in the course of the first phase of its operations, so far repaired 39,427 rooms and built 704 new apartments. In all, 63,610 people have been rehoused. This represents only a small part of what needs to be done. As stated in *Economic Notes* (No. 39, of 11 October, 1946), 4,026,081 rooms were damaged or destroyed in the war. Of these, 1,154,000 rooms were totally destroyed, 645,400 heavily damaged and 2,226,680 lightly damaged.

Transport Problem

In the Abruzzi, the number of rooms on which repair work is still in progress is large—partly because of the large amount of reconstruction required and partly because of delivery delays owing to truck shortage. CASAS truck operations have been seriously curtailed on account of the hold-up in motor fuel supplies caused by the maritime strikes in the United States.

Transport is a factor of exceptional importance in the Abruzzi, and in some cases represents as much as 25 per cent. of the total cost of reconstruction, as against a normal 10 or 15 per cent. It is one of the chief functions of CASAS to provide this road transport entirely free of charge to needy persons.

Houses Ready by Christmas

"I was glad to see the good progress that had everywhere been made," Mr. Keeny remarked. "I have every hope that practically all the new houses CASAS has started will be ready for occupation by Christmas. At Orsogna I found an amazing change since my last visit in the spring. The whole skyline has changed. Instead of jagged ruins, you see new roofs.

"The amount of work that has been done is surprisingly large in the light of the delays and difficulties that have had to be overcome. Not least among those difficulties has been the problem of producing the bricks and tiles. The brick kilns have themselves suffered war damage; they have been running on credit; and last spring they were severely handicapped owing to the coal shortage caused by the United States coal strike.

"I visited one of the brick works where UNRRA is helping indirectly in Italy's housing drive by providing the coal for the kilns. I heard the complaint that not enough coal was being allocated and that deliveries were irregular. It must not be forgotten that the rate of reconstruction in the war-damaged areas ultimately depends on the output of bricks."

Aid to Brick Works

An instance of the way in which CASAS is able to help to increase the output of bricks is the assistance it is giving to a brick works in the devastated Sangro Valley, where such works are few, where the devastated railway will probably take another two years to repair and where building materials have, in consequence, to be transported by trucks over great distances.

CASAS has here made a six months loan to the brick works of the small town of Castel del Giudice, enabling the works to replace its destroyed brick-moulding machinery. In return for this loan, CASAS is promised the full production of the factory for the period of the loan, plus repayment at the rate of one lira for each brick produced. Such forms of assistance will need to be increased, if repair and construction work in rural and remote districts is not to be held up by lack of building supplies.

"I hope that fuller use will be made of local brick works," said Mr. Keeny. "It is unfortunate that, in the Abruzzi, bricks have had sometimes to be carried 140 kilometres (more than 85 miles) over the mountains to villages as much as 4,000 feet, or more, above sea level, although there have been other brick kilns, which might have supplied requirements, much nearer at hand.

Need for Loans

"The chief weakness, however, in the present system of rehousing has been that of securing loans to enable the very poor to pay for the labour and materials they need to rebuild their homes—and that I hope will now be largely remedied through advances from the Lire Fund.

"I regret that what is being done now was not started earlier, and on a more comprehensive scale. Rebuilding a devastated area

950

Continued on Page 6

1041

Declassified E.O. 12356 Section 3.3/NND No. 785020

STATISTICAL SURVEY — SEPTEMBER, 1946

Description	Unit of Measurement	1945 Jan.	1945 June	1945 Aug.	1945 Sept.	1946 Jan.	1946 June	1946 Aug.	1946 Sept.
CURRENCY. PRICES									
Currency circulation	1938=100	1,590	1,815	1,770	1,788	1,837	1,932	2,012	2,111
Current accounts and deposits	»	—	367	383	402	519	631	—	—
Fine gold price (open market)	»	3,108	3,527	3,665	3,581	2,981	2,673	3,251	3,642
Dollar:									
Legal rates–Official	»	526	526	526	526	526	526	526	526
» –Commercial	»		—	—		—	1,181	1,184	1,184
» –Export	»	—	—	—	—	—	1,984	2,642	3,132
Black market	»	1,758	1,582	1,563	1,752	2,011	1,926	2,495	2,616
Share prices (Milan)	»	733	673	518	508	145	574	781	786
Wholesale prices (Florence)	»	—	3,392	3,607	3,604	3,101	2,965	3,016	3,209
COST OF LIVING, WAGES, LABOUR									
Cost of living (Milan) Total	»	1,355	1,798	1,939	2,388	2,431	2,907	2,859	—
» » » Food	»	2,018	2,408	2,506	2,987	3,132	3,492	3,625	—
Wages in Milan:									
Skilled labour	»	123	498	915	1,033	1,182	1,410	1,501	—
Professional workers	»	298	324	170	588	762	808	920	—
Unemployed registered	Thousands	—	—	—	—	1,128	1,531	1,770	1,858
PRODUCTION									
Pig-iron (Northern Italy) (1)	1938=100	24	8	12	11	10	61	86	93
Steel (Northern Italy) (1)	»	19	15	11	21	36	53	65	75
Rolled steel (Northern Italy) (1)	»	17	9	10	25	39	57	54	65
Cotton yarns (1)	»	3	3	4	5	22	60	42	—
Artificial textile fibres	»	2	3	1	4	6	32	30	55
Mechanical (Fiat)	»	8	32	24	43	56	57	37	—
Chemical (Montecatini)	»	12	10	14	15	24	55	63	70
Electric power (2)	»	97	77	76	77	108	108	111	112
FOREIGN TRADE									
Imports (3) (4)	Dols. ('000)	—	—	—	—	33,845	376,302	553,627	657,361
Exports (3)	»	—	—	—	—	3,339	85,424	142,186	167,665
Wheat imports (4)	Tons ('000)	—	—	—	—	94	943	1,073	1,125
Coal imports (4)	»	—	—	—	—	459	2,027	3,370	4,162
POL imports (UNRRA) (5)	»	—	—	—	—	—	633	1,085	1,149
STATE RAILWAY TRAFFIC									
Passengers	Thousands	—	—	13,355	15,268	17,620	19,138	—	—
Goods	Tons ('000)	—	—	1,895	2,053	2,389	2,476	2,834	2,847

(For Explanatory Notes See Opposite Page)

1042

Declassified E.O. 12356 Section 3.3/NND No. 785020

STATISTICAL SURVEY FOR SEPTEMBER

On the opposite page is a statistical survey of economic conditions in Italy up till September, 1946. The survey covers currency and prices: cost of living, wages and labour: production; foreign trade and State railway traffic. It has been prepared from information supplied by the Central Institute of Statistics in Rome, the Bank of Italy, the Italian State Railways and other official sources.

Stimulated by larger imports of fuel and raw materials, particularly by UNRRA imports, the Italian economy showed greater vitality in September than in previous months of 1946. There were clear signs of recovery in industrial production and of improvement in transport and foreign trade. Labour unrest, however, became more serious during September, largely owing to the increased cost of living.

While the currency circulation level was 21 times above 1938, free prices ranged from a minimum of 26 times pre-war (open market price of the dollar) up to a maximum of 36 times (price of fine gold). The level of bank deposits was still only six times pre-war. This mainly resulted from (a) the considerable decrease in the flow of savings from workers and fixed income categories (real wages and salaries, on the average, were about 50 per cent. of 1938); (b) hoarding of the lira, which was a noteworthy development, especially among farmers; (c) the many transactions (especially black market transactions) which took place outside the banks; (d) the disparity between the level of the currency circulation and the price level—which made it necessary to use, for the same volume of transactions, a proportionately greater amount of currency.

The outstanding factor in the Italian labour situation was the maladjustment of wages and salaries to the increase in the cost of living. Although the cost of living had by September increased 29-36 times, compared with pre-war, wages and salaries were only 10-18 times higher. The number of registered unemployed

NOTES ON STATISTICAL SURVEY

(1) *Production*: Indices of production are still subject to a margin of error. An intensive study conducted through the UNRRA North Italy Office and the Comitato Industriale Alta Italia (C.I.A.I.) indicates the following discrepancies:

(MONTHLY AVERAGE: 1938 EQUALS 100)

	JANUARY, 1946		JUNE, 1946	
	Official	UNRRA	Official	UNRRA
Pig Iron (Northern Italy)	10	not available	61	not available
,, ,, (all Italy)	3.6	4	27.8	22
Steel (Northern Italy)	36	not available	53	not available
,, (all Italy)	26.7	27	32.8	43
Rolled Steel (Northern Italy)	39	not available	57	
,, ,, (all Italy)	26.4	28	45.3	48
Cotton Yarns	22	34	60	85

Figures for artificial textile fibres agree; for the other series it is not possible to make a direct comparison. The index numbers for the mechanical and chemical industries refer to two companies which, though large, do not indicate the true status throughout the whole of these two industries.

(2) Calculated on the basis of comparable cumulative figures.

(3) *Foreign Trade*: Figures are cumulative, beginning 1 January. Present statistics on exports and imports are subject to a large but unknown error. The tonnage import figures are uncertain because it is known that UNRRA imports were not completely recorded in official figures. Value figures are additionally uncertain because of unreliable valuations and inconsistent conversion from foreign currencies to lire. In these figures, the import dollar was taken as equal to 100 lire, the export to 225 lire. The figures can be used only as a very rough index.

(4) Cumulative, including UNRRA.

(5) These figures (which are cumulative) exceed official Italian figures and attention has been drawn to the discrepancy.

949

1043

Declassified E.O. 12356 Section 3.3/NND No. 785020

workers (about three-fourths of the total number of people out of work) steadily increased from January to September, 1946.

This increase is mainly due to the return of large numbers of prisoners of war and deported workers, and to greater accuracy in registration (particularly in August and September), following the Government's decision to pay the "premium of the Republic" to unemployed registered at labour exchanges.

Output figures for some representative commodities and electric power support the official Government estimate that the general level of Italian production was approximately 65 per cent. of pre-war—the figure given by the Italian Prime Minister.

Exports Increase

Total Italian exports up to 31 August, 1946, amounted to about one-fourth of the imports. Exports, however, steadily increased up to 31 August. The table shows, by quantity, the imports of cereals, coal and petroleum products (POL) which form approximately 50 per cent. of the total value of all Italian imports. The official Italian figure of total imports from 1 January to 31 August, 1946, is 6,160,976 metric tons. UNRRA arrivals during this period were approximately 5,300,000 metric tons; it is known, however, that not all this quantity is included in the official Italian statistics. This is mainly because UNRRA goods are often recorded some time after the imports take place. UNRRA arrivals in this eight months period included 656,735 metric tons of wheat and 2,904,884 metric tons of coal.

Passenger and freight traffic on the Italian State Railways was steadily increasing, as a result of systematic rehabilitation of the Italian railway system, and repair and renewal of the rolling stock.

LIRE FUND TO HELP HOUSING

Continued from Page 3

is not like other rehousing schemes—such as slum clearance—where you can set the pace to suit administrative convenience. In the Abruzzi, and other areas where fighting was heavy, it is not a question of giving people *better* homes, but of meeting the elementary and urgent need for shelter.

"The job is to repair where possible, rebuild where necessary, houses for people who have no homes at all. People crowded into the relatively few buildings that are habitable, or forced to live in shacks, cannot afford to wait four or five years. The moral effect of such delay will be appalling.

Homeless Cannot Wait

"I must emphasize, too, that this task of rebuilding heavily damaged war areas is not a local one. More and more, post-war reconstruction becomes a national problem. The easy repair work is largely done. What remains is the more expensive reconstruction where damage has been heavy—rebuilding, for example, a whole village, where the people always have been poor, and are poorer still today.

"There is, again, the serious problem of allocating, not only funds and materials, but also skilled labour. Sparsely inhabited mountain districts, where often the damage is relatively very high, just cannot find locally the masons, carpenters, tilers and plumbers needed to cope with the gigantic task of rehousing families now condemned to live in shacks."

Work Began in 1945

The first direct help by UNRRA in rehousing needy, homeless Italians was begun in April, 1945, by the UNRRA Italian Refugee Unit No. 2, staffed by voluntary members of the British Friends' Ambulance Unit attached to UNRRA, in the war devastated communes of Frosinone. This work was extended to the Abruzzi in August, 1945, by the establishment of an UNRRA Voluntary Society Unit, staffed by volunteer members of the International Voluntary Society for Peace.

At the same time the Friends' Devastated Areas Group (composed of volunteer members of the American Friends' Service Committee and the British Friends' Ambulance Unit) had been developing independently of UNRRA a similar, but smaller, assistance programme in the Aventino Valley; and subsequently the work of this Group was combined with the larger UNRRA effort. Throughout the operation the work of volunteers, including Americans, British, Swiss and Italians, has been of real assistance to the programme—and this is particularly true of the Abruzzi.

1044

Declassified E.O. 12356 Section 3.3/NND No. 785020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(10 - 16 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Adjutant	Genoa	11 November	UNRRA	General	839
Bantria	"	" "	"	"	622
Andrea Contarini	Naples	12 "	It. Government	Minerals	1,900
Eskdalegate (1)	Leghorn	13 "	UNRRA	General	900
Francesca	Brindisi	" "	It. Government	Minerals	2,400
Apollo	Venice	14 "	" "	"	5,100
Isonzo	"	" "	" "	"	8,112
Sameden	Genoa	15 "	UNRRA	Pig Iron	3,499
Baalbek	"	" "	"	General	41
Richard Henry Lee	Venice	" "	"	Minerals	9,000
Merkland	Genoa	16 "	"	General	750
Jericho Victory	"	" "	"	"	115

NOTE: (1) Also discharged at Genoa.

LATEST COAL SHIPMENTS

(11 - 16 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Pelorum	Ancona	12 November	United States	UNRRA	7,082
William James	Civitavecchia	" "	" "	"	8,374
	Piombino	16 "			
King James	Venice	12 "	South Africa	"	8,399
Ernesto	Savona	13 "	Germany	"	4,698
Ines Corrado (1)	Reggio Calabria	" "	United States	"	5,000
Nicolaos G. Culucundis	Savona	14 "	Turkey	Swiss	4,648
Radmar	Naples	" "	Germany	UNRRA	5,524
Empire Copperfield	Venice	" "	South Africa	Br. Army	7,013
Samuel F. B. Morse	Genoa	16 "	United States	UNRRA	9,115

NOTE: (1) Also discharged at Messina.

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ALLIED COMMISSION
WEEKLY BULLETIN

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POLITICAL

Scarcely any single incident has recently aroused such heated discussion in the Italian press as that which followed Palmiro Togliatti's visit to Belgrade and the publication in *Unità* of Tito's offer to agree to Trieste's remaining Italian provided Italy ceded Gorizia to Yugoslavia. The offer had been rejected by the Italian Government in a communiqué issued on 7 November.

On the same day Pietro Nenni, Italian Foreign Minister, stated to ANSA news agency that the Government's declaration meant that Italy could not take as a starting point for direct negotiation with Yugoslavia the renunciation of an Italian city but that Italy acknowdged with utmost satisfaction the positive elements which resulted from the news brought by Togliatti. "We are always ready", he said, "to consider with utmost interest any official proposal made to us within the picture of the general peace negotiations which are now taking place at New York. A Locarno of the East is among the goals which the Government intends to reach and it would be not only for Italy and Yugoslavia but also for Europe and the World a solid guarantee of peace".

From this point on the Italian press had its say, with the manner in which the offer was received drawing as much attention as the offer itself.

Press Reaction.

Risorgimento Liberale declared that the Communists must be happy as their party now enjoyed "a kind of extra-territoriality similar to that of sovereign states". Until now, the paper said, the Communist party was lacking only active and passive diplomatic representation. "Now the Communist Party also has the right to start negotiations with foreign countries, unknown to and in defiance of the legitimate Government and therefore has the right to claim the qualifi-

people will not permit Togliatti to give Gorizia and Trieste to the Slavs", and "Slav Communist maneuver against Trieste".

Enzo Selvaggi in the same paper demanded of the President of the Council of Ministers and the Foreign Minister the answer to two questions: (*a*) "Who authorized Togliatti to deal with things that concern the Italian people exclusively and their representatives in the Government?" and (*b*) "Who authorized Togliatti to print the result of his dealings with a foreign country without first referring to the Government?".

Nenni's Statement.

Foreign Minister Nenni in an electoral speech at Florence on 8 November said: "To reduce the debate now open between us and Yugoslavvia to the Trieste or Gorizia question would be a mistake. The problem must be examined from the general viewpoint of our's and Yugoslavia's interests. Italy and Yugoslavia gained nothing out of the rough manners they used toward each other. On this problem comrade Togliatti has brought a first message which opens the way to successive development and in this sense he rendered a service, even if it should not yield any result in the course of the New York Conference". As to this, *Tempo* remarked that Nenni should not forget that he is Foreign Minister and should have been consistent with the communiqué issued by the Council of Ministers.

Momento rather dryly commented on the newspaper polemics to the effect that since the Right accuses those who support Togliatti's thesis as traitors who have sold out to Russian expansionism and since the left accuses those in opposition to Togliatti's plan as traitors who have sold out to the Anglo-Americans, Italy must be divided into two parties sold out either to the East or to the West.

Messaggero reported that in U. S. Political

947

1045
Declassified E.O. 12356 Section 3.3/NND No. 785020

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Italia Nuova headlined the story "Clumsy Communist Maneuver Against Trieste". "The people will not permit Togliatti to give Gorizia and Trieste to the Slavs", and "Slav Communist maneuver against Trieste".

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Messaggero reported that in U. S. Political circles, Tito's renunciation of Trieste had given the general impression of an advantage gained by Italian diplomacy inasmuch as his previous ar-

1046
947
Declassified E.O. 12356 Section 3.3/NND No. 785020

guments based on statistical, geographical, ethnical and economic grounds had been abandoned.

On 12 November, Ambassador Tarchiani handed a note to the Council of Foreign Ministers, which expressed the official viewpoint of Italy in regard to Tito's proposal. The note stated:

(1) "The Italian Government views in the postponement, resolved at New York of discussions concerning the Venezia Giulia problems, an invitation to direct negotiations between Rome and Belgrade. It therefore asks whether this interpretation is correct.

(2) "Such negotiations after Tito's and Togliatti's declaration seem to be possible.

(3) "These being the facts the Italian Government has no difficulty in starting direct negotiations but with two conditions: (*a*) that if a direct agreement is reached between Rome and Belgrade such agreement be guaranteed by UN: (*b*) that in case an agreement is not reached, what has been resolved by the Conference of 21 remains definitely as granted, and that Tito's acknowledgment of the indisputable Italianity of Trieste be taken into consideration".

The Postponement.

There seems to have been some confusion as to the alleged postponement of discussions relating to Trieste referred to in the first numbered paragraph of the note. The United Press reported discussion of the Italian Treaty had been postponed, not because of Tito's offer to Italy through Togliatti, but merely because the four wanted to consider at once a proposal having nothing to do with the treaty but relating to disarmament.

The Council of Ministers did not in fact postpone consideration of the Venezia Giulia problem for long because on 12 November after resumption of the discussions they approved the French Line as the Italo-Yugoslav frontier and as the *Bulletin* went to press they were considering the Trieste Statute.

The U. S. answer to the Government's diplomatic note concerning Tito's proposal was communicated verbally to Foreign Minister Pietro Nenni on Tuesday, 12 November by the U. S. Chargé d'Affaires in Rome, D. McK. Key. According to a news dispatch from New York printed in *Unità* on 14 November the American statement made the following points:

(1) The impression of an adjournment of

(2) The decisions of the "Council of Four" on the Italo-Yugoslav border and the recommendations of the Paris Conference on the draft statute for Trieste form the bases of the policy of the United States;

(3) The United States will take no initiative in suggesting a change of these decisions;

(4) Yugoslavia and Italy are perfectly free to begin negotiations, but any decision which is not in keeping with those already taken by the "Council of Four" and the Peace Conference must be examined anew by the Four Powers".

ADMINISTRATIVE ELECTIONS

The second phase of the Italian administrative elections started on 6 October, and ever since, citizens of a certain number of communes have been called to the polls, on Sundays, to elect their local administrations.

The elections of 10 November occasioned great interest among the people, as some of Italy's major cities were affected. The Electoral Office of the Ministry of the Interior has issued official figures; the papers have grasped and displayed them prominently in box type and a statistical diagram is published in the *Bulletin*. Figures contained in the third column of the diagram (Votes received) are the official ones issued by the Electoral Office of the Ministry of the Interior; those contained in the first column (Town) were given in *Italia Nuova*, while the remainder were given in *Unità*.

The independent press was unanimous in affirming that the elections were characterized by three outstanding factors: the abstention of a large percentage of voters, the loss of supporters registered by the Christian-Democrat party in comparison with preceeding elections, and the success above all forecasts obtained by the Uomo Qualunque Front. As an example of abstentionism it may be noted that at Palermo only 37 percent of registered voters cast their ballots against the 91 percent figure scored in the political elections of 2 June.

The Left confirmed its leading position in Turin, Florence, and Genoa, and secured first place in Rome and Naples by pooling its parties in a common bloc. Of these however, the Communists scored the greatest success with the Socialists showing some loss.

As the allotment of seats for the administra-

1047
Declassified E.O. 12356 Section 3.3/NND No. 785020

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(1) The impression of an adjournment of the discussions on Trieste in the "Council of Four" is erroneous. The adjournment was in fact due entirely to questions of procedure;

(3) The United States will take no initiative in suggesting a change of these decisions;

(4) Yugoslavia and Italy are perfectly free to begin negotiations, but any decision which is not in keeping with those already taken by the "Council of Four" and the Peace Conference must be examined anew by the Four Powers".

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The Left confirmed its leading position in Turin, Florence, and Genoa, and secured first place in Rome and Naples by pooling its parties in a common bloc. Of these however, the Communists scored the greatest success with the Socialists showing some loss.

As the allotment of seats for the administration of big cities is done under the proportional system, the Rome situation is rather curious as, although having suffered a heavy loss of

(*Continued on page 4*)

1048
Declassified E.O. 12356 Section 3.3/NND No. 765020

TOWN (1)	PARTY	Votes received	Per cent. of votes	Per cent. June 2nd	Seats gained
ROME – 57.50 %	Block of People (2)	189,174	36.90	24.67	30
	Uomo Qualunque	106,587	20.78	9.64	17
	Christian-Democracy	103,387	20.16	29.23	17
	Republicans	40,323	7.86	14.05	6
	Monarchists	36,072	7.03	9.90	5
	Liberals	25,787	5.03	7.23	4
	Traders	7,909	1.54	—	1
	Independent Socialists	3,601	0.70	—	—
FLORENCE – 73.00 %	Communists	64,040	33.81	25.89	21
	Christian-Democrats	45,168	23.78	28.19	15
	Socialists	41,377	21.81	24.38	13
	Uomo Qualunque	26,025	13.39	9.37	8
	Liberals	6,544	3.46	4.63	2
	Republicans	4,249	2.25	2.70	1
	Action party	2,451	1.30	1.85	—
NAPLES – 64.92 %	Bloc of People (3)	73,617	31.20	17.44	25
	Uomo Qualunque	46,851	19.82	19.11	16
	Monarchist party	44,484	18.83	7.54	15
	Liberals	35,323	14.93	24.43	12
	Christian-Democrats	32,169	13.61	23.60	11
	Reconstruction Union	3,827	1.61	—	1
TURIN – 67.78 %	Communists	104,623	33.23	26.40	27
	Socialists	85,277	27.09	28.61	22
	Christian-Democrats	58,580	18.60	27.42	15
	Liberals	33,747	10.71	7.76	9
	Uomo Qualunque	26,376	8.37	4.00	7
	Republicans	3,058	0.97	0.79	—
	Action party	2,919	0.93	1.52	—
	Italian Communists	323	0.10	—	—
GENOA – 66.00 %	Communists	121,336	38.91	31.04	32
	Socialists	70,030	25.35	28.60	21
	Christian-Democracy	65,496	21.00	25.57	17
	Uomo Qualunque	17,882	5.73	3.06	4
	Liberals	16,325	5.24	5.61	4
	Republicans	10,536	3.39	4.26	2
	Action party	1,241	0.31	0.69	—
PALERMO – 36.82 %	Uomo Qualunque	19,810	24.53	22.88	15
	Monarchists	16,033	19.85	16.92	12
	Christian-Democrats	11,697	14.47	25.28	9
	Communists	9,761	12.10	2.60	7
	Liberals	9,305	11.53	—	7
	Socialists	7,889	9.77	4.43	6
	Reconstruction Union	3,215	3.98	—	2
	Independents	3,027	3.74	—	2

Declassified E.O. 12356 Section 3.3/NND No. 785020

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	Socialists	79,030	25.35	28.60	21
	Christian-Democracy	65,496	21.00	25.57	17
	Uomo Qualunque	17,882	5.73	3.06	4
	Liberals	16,325	5.24	5.61	4
	Republicans	10,536	3.39	4.26	2
	Action party	1,241	0.31	0.69	—
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	Liberals	9,305	11.53	—	7
	Socialists	7,889	9.77	4.43	6
	Reconstruction Union	3,215	3.98	—	2
	Independents	3,027	3.74	—	2

(1) Per cent. of registered electors who cast their ballot.
(2) Including: Communists, Socialists, Actionists and Labor-Democrats.
(3) Including: Communists, Socialists, Actionists and Republicans.

1050
Declassified E.O. 12356 Section 3.3/NND No. 765020

votes, the Christian-Democrat party can still control the political color which the administration will assume.

This is caused by the fact that neither the People's Bloc nor the Uomo Qualunque, individually command a sufficient number of seats in the Communal Council to compose a majority unaided. Both the Leftist and Rightist press, which had spared no blows against Christian-Democracy during the electoral campaign, have changed tune and have tried to sell the Christian Democrats on the advisability of their turning either Left or Right, but the Roman Committee of the party "reached the curious conclusion", says *Unità*. "That the task of forming the Communal Council is up to the bloc of People and the Uomo Qualunque, as the Christian Democrat party ran only third in the contest".

ECONOMIC FRONT

The Economic Division reported this week that there has been very little change in the food situation in Italy. As of 10 November the stocks of wheat actually on hand amounted to 908,203 tons or enough to cover requirements for 73 days. Stocks in amount of 8,245 have been signalled to arrive during November, but this was not expected materially to affect the number of days supply available.

In the case of fuel, the largest estimate for November coal arrivals is 261,000 tons from the United States and 149,000 tons from all other sources making a total of 410,000 tons. This will result in stocks on hand at the end of November amounting to 402,000 tons. It is estimated that 728,000 tons will arrive during December.

Two tankers of gasoline which had been expected to arrive during the latter half of November have been held up owing to difficulty in obtaining crews. Present stocks of fuel are as follows: motor gasoline 24 days supply, kerosene 55 days supply, diesel oil 24 days supply and fuel oil 60 days supply. All figures are approximate.

The power supply situation appeared to be easing somewhat. Recent rains and the stock pile of coal in Rome for use in thermal plants has considerably improved the availability of power. Any projected power rationing plan would not affect continuous operation of military communication circuits.

Hungary. The agreement foresees a yearly exchange of 7 million dollars worth of products between the two countries. Among products which Italy will send to Hungary are tools, machines, textiles, rayon, sulphur, mercury, zinc and automobiles. She will receive in turn gasoline, paraffin, vaseline, iron and food stuffs such as beans, barley, eggs and poultry. The agreement is to go into effect next month.

LAND FORCES SUB-COMMISSION (MMIA)

After the Armistice in 1943, when Italy became a co-belligerent, Italian P. O. W. in the hands of the Allies were given the opportunity of cooperating in the Allied war effort. Those who elected to do so were formed into special companies, given certain privileges—including virtual freedom—and assigned certain duties. These companies were known in the British Army as *cooperators*, and in the U. S. Army as Italian Service Troops. Those transferred to Italy were handed back to the Italian Army some time ago, while those in other parts of the world have been given priority in repatriation.

The term *non-cooperator* is applied to those P. O. W. who did not elect to cooperate with the Allies in their war effort, and therefore remained as normal P. O. W. under the terms of international agreement.

The last of the cooperators—some 722—were repatriated during the past week from India, in the S. S. LANCASHIRE.

Unofficially it is anticipated that a shipment of non-cooperators will arrive for repatriation next week.

Cooperators, as defined above, should not be confused with service units of the co-belligerent Italian Army in Italy specifically allotted to the U. S. and British Armies in rear areas, and known respectively as US and British ITI. These ITI units are rapidly being disbanded pari passu with the redeployment of the Allied Armies. At the moment there are approximately 5,000 US-ITI and 250 BR-ITI employed in Italy, under P. B. S. and G. H. Q. respectively.

NAVY SUB-COMMISSION

The question of salvaging American Merchant shipping sunk in Italian ports is becoming a fre-

Declassified E.O. 12356 Section 3.3/NND No. 765020

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According to *Il Globo*, a commercial agreement was signed this week between Italy and which Italy will send to Hungary are tools, machines, textiles, rayon, sulphur, mercury, zinc and automobiles. She will receive in turn gasoline, paraffin, vaseline, iron and food stuffs such as beans, barley, eggs and poultry. The agreement is to go into effect next month.

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NAVY SUB-COMMISSION

The question of salvaging American Merchant shipping sunk in Italian ports is becoming a frequently recurring problem. There have been many requests from Italian firms who wish to undertake this work. On the other hand the Ministry of Marine is anxious to promote harbor

Declassified E.O. 12356 Section 3.3/NND No. 765020

clearance with all possible speed. The basic difficulty has been deciding where the authority to make salvage contracts of this kind lies. The U. S. Maritime Commission has been asked to clarify the matter.

A good example illustrating the nature of the problem has occurred in connection with the clearance of the port of Bari. The hulk of the S.S. CHARLES HENDERSON must be removed from that harbor. Unfortunately the ship's cargo consists of 1500 tons of bombs which must be removed before the hulk can be disposed of. Not until permission for the disposal of the bombs has been received from the appropriate authorities, can the ship be sold to private interests for salvage. It is expected, however, that the Maritime Commission will shortly be able to provide the Navy Sub-Commission with information necessary to handle all salvage requests according to a well recognized routine.

ODDS AND ENDS

Colonel S. W. Miller, (B) is now at Headquarters, Allied Commission and has taken over the Captured Enemy Material Sub-Division.

Major N. M. Harrisson, (B), (Archives Division) and Major D. R. Martin, (B), (Displaced Persons Division) have returned from the United Kingdom on leave.

Captain N. J. Coombs, (B), (G-4, (B) has left for the United Kingdom on leave.

Colonel L. R. Battensby, (B), Director of the Allied Financial Agency has been appointed Financial Advisor to the Allied Commission, in addition to his other duties.

* * *

Twenty enlisted men of the 7106th Regiment have been awarded the Good Conduct Medal. Presentation of the ribbons was made by Lt. Col. Robert C. Ross, Commanding Officer at a formation held on 13 November.

* * *

The parking lot of the AC Motor Pool was covered with water to a depth of 18 inches as a result of the heavy rains of 13 and 14 November. Motor service however was maintained and by Friday afternoon, the area had been cleared of water by civilian employees and soldiers of the 7106th Regiment.

946

Declassified E.O. 12356 Section 3.3/NND No. 785020

1054

Declassified E.O. 12356 Section 3.3/NND No. 785020

TO SEE:-

FA to GOC

Dep Comd

B.G.'s.

Col A/G

G-1(MD)

G-1(Trg)

G-1(CD.RR)

A.D.M.T.

Dep G-3

G-2(Int)

November 15, 1946 Vol. I, No. 44

ECONOMIC NOTES

— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolò da Tolentino, 78, Rome —

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Mr. Keeny Reviews Italian Programme

"On 9 November," wrote Mr. Keeny, "the United Nations Relief and Rehabilitation Administration will be three years old. On 10 November, 1943, President Roosevelt convened the representatives of 44 nations (since increased to 48), who undertook on that day to establish the first International Organization of the kind, to help alleviate the sufferings of millions of people, victims of the second world war.

"Since that date, these countries have voted a total of nearly 3,750 million dollars (£937,500,000 sterling). These funds have been used to carry and expand relief previously rendered to the civilian population by the Military. Of this total, the allocation for the Italian Programme is approximately 425 million dollars, exclusive of shipping charges, a-half ago—and provided for limited relief in the fields of child welfare, medical services and aid to refugees.

Second Agreement

"I recall with special pleasure the occasion of meeting with you personally to sign the second agreement on 19 January of this year. I was particularly impressed at that time by the promptness with which the discussions leading to the signing had been cleared, and since then, by the whole-hearted co-operation your Government has given in the development of the greatly enlarged supply programme which UNRRA then took over from the Allied Commission.

"Since 1 March, 1946, there have been brought into Italy more than 6,700,000 tons of supplies. There are still to come some 3,700,000 additional tons. Some of the supplies already imported are still in the process of distribution, so that the benefits of almost one-half of the entire programme of just over 10,000,000 tons have yet to be felt by the Italian people.

Maintaining Vital Supplies

"We trust that this large volume of supplies still to be distributed will help to continue the vital supply lines, especially of food, coal and

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"On this anniversary I wish to thank the Italian Government for its excellent co-operation in the Italian Programme of UNRRA. The first agreement between UNRRA and Italy was signed in March, 1945—a year-and-a-half ago—and provided for limited relief in the fields of child welfare, medical services and aid to refugees.

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Maintaining Vital Supplies

"We trust that this large volume of supplies still to be distributed will help to continue the vital supply lines, especially of food, coal and oils, until arrangements have been completed for imports through normal peacetime procedure.

"In addition, the benefits of the UNRRA aid will continue to further the welfare of the

Declassified E.O. 12356 Section 3.3/NND No. 765020

Italian people through the wise expenditure by the Italian Government of the Lire Fund, which is being built up from the proceeds of those commodities which are sold through commercial channels. The funds already expended have given notable assistance in malarial control, in combating the grasshopper plague in Sardinia, in the repair of houses for the homeless—and 90 per cent. of these funds are still to be assigned.

"I should also like to congratulate the Italian people upon the progress that has been made, especially in the last year. Although conditions are still difficult, it is encouraging to note that industry is already operating at approximately 65 per cent. of the pre-war level, and that repairs now being made will result in still further progress as soon as more coal can be procured.

Health Figures Are Encouraging

"Even more encouraging are the figures on the health of the Italian people. It is a great tribute to all the forces working in this country on health and welfare that the total death-rate in communes of over 50,000 people has dropped from 13.8 per thousand for the first seven months of 1945 to 12.3 per thousand for the corresponding period of 1946. Deaths from tuberculosis in 19 Italian cities with a population of more than 100,000 fell from a total of 7,250 in the first six months of 1945 to 6,026 in the same 19 Italian cities in the first six months of 1946.

"Particularly outstanding has been the achievement in the reduction of infant mortality, where the death-rate in 67 cities of more than 50,000 has fallen from 104 per thousand live births in the first half of 1945 to 82 per thousand live births in the first half of 1946—a drop of 20 per cent. in a single year. UNRRA is glad for any part it has played in this improvement, but the major credit belongs to the Italian people.

"This year's programme has not gone forward without serious difficulties—but most of them have arisen outside Italy. Industrial rehabilitation was seriously delayed by the United States coal strike of last spring and by two maritime strikes this fall. Italy is still feeling—in current shortages of wheat, coal and gasoline—the effects of a whole month's inter-

Atlantic and other ships are being loaded as rapidly as possible by people who appreciate how urgent is the need here. Within the next few weeks, we hope that the temporary shortages will have been adjusted.

Future Grain Supplies

"It would be unrealistic to overlook the fact that some commodities are still extremely difficult to procure, even when the money is available. Chief among these is wheat. UNRRA is working daily with the international allocating authorities and the Italian Government to ensure that Italy gets as much grain as possible and gets it as soon as possible.

"As you know, UNRRA funds have all been assigned and UNRRA supplies are being delivered as fast as they can be procured. These supplies will continue to arrive throughout the early months of next year. All of the supplies should have arrived and been distributed by the middle of the year—by which time this Mission will have completed its programme.

"In the latter stages of our work we are bending every effort, in collaboration with the Government, to plan in such a way that our withdrawal will not interrupt the progress which is now taking place. Careful plans are being worked out—commodity by commodity—in order that the pipe-line may never run dry.

Liberty Ships Will Reduce Costs

"We recognize that some commodities will still be hard to procure in 1947 and that the problem of paying for them will not be easy until the volume of Italian exports can be further increased. We hope, among other things, that the services which will be rendered by the 50 Liberty ships now going into commission, will provide material assistance in reducing costs and in expediting deliveries.

"I cannot close this letter without a special word of thanks to all those Italians who have helped reactivate the ports, and to move these millions of tons of supplies through ports that were wrecked and mined only a few months ago, and that are still working under great handicaps. The achievement of the Italian port and railway workers in handling and moving more than a million tons a month at peak,

Declassified E.O. 12356 Section 3.3/NND No. 785020

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"Finally, may I thank you personally for the sympathetic aid you have given in all the

1058
Declassified E.O. 12356 Section 3.3/NND No. 785020

troublesome questions that have had to be raised during all these months. The fact that you did this in the face of the enormous other responsibilities you have been carrying has been a source of extreme gratification to us.

"We pledge that we shall redouble our efforts in these last months to do everything possible to accelerate the improvement in the welfare of the Italian people. This is not only our duty, but also a great pleasure, for we greatly enjoy our experience in working with them as colleagues.

"Please accept the expression of my highest esteem."

Sincerely yours,
(Signed) S. M. KEENY
Chief of Mission

Prime Minister's Reply

In his reply to Mr. Keeny, the Italian Prime Minister said:

"I am particularly happy, on this third anniversary of the foundation of UNRRA, to express to you my deepest personal appreciation and gratitude, and that of the Italian people, for the work which the Administration is doing and has done for the past year and a half, for the rehabilitation of our country.

"UNRRA has helped to bring to our country, as to other countries of Europe and the Orient, the aid of the nations which fought and won for liberty.

"This was the concept of President Roosevelt, when during those very days in which Italy was initiating the hard struggle for its liberation, he launched to the United Nations the appeal to continue in peacetime, that same co-operation and unity of effort which had linked them during the war: 'We have worked together with the United Nations in full agreement and action in the fighting on land, on the sea and in the air. We are now about to take an additional step in the combined actions which are necessary to win the war and to build the foundation for a secure peace.'

Signs of Recovery

"The results of this work are summarized in your letter and the figures point very clearly to recovery. While thanking UNRRA for all this, I am glad to associate myself with you making to ensure the satisfactory achievement of the programme and to prevent the transition period between the end of UNRRA and subsequent imports reacting unfavourably on the progress of the country's reconstruction.

"UNRRA is now approaching the end of its activities, but it leaves the lesson of years of wisely conducted work. It has taken the lead, during this post-war period, in demonstrating that there is a common ground on which, far from all political, religious and racial discrimination, all peoples can co-operate.

"Italy hopes that the successors of UNRRA will be inspired by the same concepts and that the memory of the tasks achieved will serve as an inducement to them not to desist, and not to leave unfulfilled in 1947 the requirements of those who still feel the effects of war.

"I would ask you, Mr. Keeny, kindly to convey my feelings of gratitude to the Director General, Fiorello LaGuardia, and to accept the expression of my highest esteem."

(signed) DE GASPERI

OCTOBER IMPORTS

Supplies imported during October on UNRRA account totalled 512,724 tons delivered in 75 ships, as against 873,218 tons in 120 ships during September. The lower figures reflect the maritime strike which held up shipping in United States ports from 3 October to 27 October.

Some 260,000 tons of UNRRA coal shipped for Italy since the strike are already on the high seas, according to latest advices. Further shipments now on their way include 5,400 tons of wheat, 9,000 tons of nitrate fertilizer, 1,313 tons of fodder, 3,459 tons of rubber, 6,000 tons of bitumen and 2,108 tons of basic slag. Impending arrivals of supplies for the rehabilitation of the steel industry include 1,000 tons of chromite, 7,926 tons of pig-iron and 100 tons of wolframite.

In October, despite adverse circumstances, 299,929 tons of coal and over 149,000 tons of petroleum products reached Italian ports. Industrial items included 1,876 tons of fire-clay and 274 tons of rubber. Supplies for the iron

Declassified E.O. 12356 Section 3.3/NND No. 785020

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"I share and follow the efforts which the Administration and the Government are progress of the country's reconstruction.

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In October, despite adverse circumstances, 299,929 tons of coal and over 149,000 tons of petroleum products reached Italian ports. Industrial items included 1,876 tons of fire-clay and 274 tons of rubber. Supplies for the iron and steel industry amounted to 4,093 tons of pig-iron, 2,743 tons of manganese ore and 155 tons of steel.

UNRRA imports of grain and grain products (including 990 tons of wheat and 10,933

1060
Declassified E.O. 12356 Section 3.3/NND No. 765020

tons of wheat flour) totalled 20,106 tons. Other main food items were 4,146 tons of meat and meat preparations, 346 tons of dry skim milk and 471 tons of edible fats and oils.

October arrivals on the agricultural rehabilitation programme included 9,347 tons of nitrate fertilizer (see "Nitrate Fertilizer Price Fixed" in this issue), 721 tons of tin-plate for the food preserving industry, 473 tons of pesticides and 337 tons of clover seed.

Gradual fulfilment of the 45,000-ton UNRRA woollen programme was represented by the arrival of a further 6,325 tons of raw wool and 4,201 tons of woollen rags. Medical and sanitary supplies amounted to 270 tons and inedible oils to 699 tons.

NITRATE FERTILIZER PRICE FIXED

The price of UNRRA-imported nitrate of soda has this week been fixed at 22,000 lire per metric ton (net weight of goods, sacks free) by the Joint Price Committee.

The first 9,250 tons of the total UNRRA procurement (amounting to 36,000 tons) have already been despatched to the regions of Central and Southern Italy, and Sicily (see *Economic Notes* No. 41, of 25 October). Farmers may procure the fertilizer from Provincial Consorzi Agrari warehouses or their agencies, upon presentation of "buoni" (coupons) issued by the Provincial Inspectorate of Agriculture, in accordance with current regulations on the distribution of nitrogenous fertilizers.

Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, has called upon all farmers and distributors to do their part in ensuring that the nitrate is used to increase cereal production.

More Food

"I want to make a personal appeal to every Italian farmer and every person concerned with the distribution of this precious nitrate, to help ensure its proper use for the proper purpose", Mr Keeny said. "Under present world supply conditions it has not been easy to procure nitrate for Italy. It has been donated to Italy by the member nations of UNRRA for only one purpose—to help increase the urgently needed supply of food for the Italian people. Improper use of this nitrate is, therefore, sabotage of the Italian people's food supply".

SHIPPING COMMENTARY

UNRRA coal arriving in Italian ports last week totalled 54,312 tons. (The situation regarding future coal shipments is summarized in the article, "October Imports", in this issue).

Industrial products included 3,500 tons of pig-iron, 2,600 tons of fire-clay, 3,500 tons of bitumen, 1,850 tons of crude rubber, 840 tons of rosin and seven tons of sanocure for rubber processing.

A further 1,080 tons of woollen rags were brought in on the UNRRA wool programme. Other items included seven tons of medical supplies and seven tons of fodder beet seed.

Declassified E.O. 12356 Section 3.3/NND No. 785020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(4 - 9 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Torrens (1)	Genoa	2 November	UNRRA	Pig Iron	3,499
Mount Rhodope	»	5 »	Swiss	Cereals	7,350
Narocz	Leghorn	» »	UNRRA	Minerals	2,215
Eskdalegate	Genoa	6 »	»	General	1,552
Andrea Contarini	Bagnoli	» »	It. Programme	Minerals	2,000
Stavros	Genoa	7 »	Swiss	Cereals	8,800
Prince de Liege	Savona	9 »	UNRRA	Minerals	2,175
Gartwood	Genoa	» »	»	General	1,850

NOTE: (1) Advice received too late for inclusion in last week's shipping list.

LATEST COAL SHIPMENTS

(4 - 10 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Empire Razorbill	Genoa	4 November	Germany	UNRRA	6,425
Nicholas Gilman	Naples	6 »	United States	»	8,567
Gloria C.	Venice	7 »	Yugoslavia	Commercial	550
Biokovo	»	» »	Germany	UNRRA Allied Forces	8,336 354
Caterina Gerolimich	Leghorn	8 »	United States	UNRRA	6,853
Ines Corrado	Messina	» »	» »	»	7,503
Robert F. Stockton	Palermo	» »	» »	»	8,1[illegible]4
Atlantic Ocean	Savona	9 »	» »		9,595
Brika	Bagnoli	» »	Germany	»	6,477
Frank Springer	Genoa	10 »	Bahrein	It. Program.	8,895

Declassified E.O. 12356 Section 3.3/NND No. 785020

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ALLIED COMMISSION

WEEKLY BULLETIN

PUBLISHED BY PUBLIC RELATIONS BRANCH, HEADQUARTERS, ALLIED COMMISSION, APO 794

1063 Declassified E.O. 12356 Section 3.3/NND No. 765020

POLITICAL

The opening of the meeting of the Council of Foreign Ministers in New York City on 4 November attracted the attention of the Italian press and public once more to Italy's fate in the international field. On that day Ambassador Tarchiani handed the official note of the Italian Government dealing with Italy's views on the treaty, to the United States, British, Russian and French representatives. The text of the note was as follows:

"The Government of the Italian Republic, at a moment when the Foreign Ministers of the United States, Great Britain, Russia and France are about to give definite power to the peace treaty with Italy, declares:

(1) "The draft treaty as a whole does not comply with the principles of the Atlantic Charter and with the more general principles which formed the moral foundation of the war fought by the United Nations against nazi-fascism. It ignores de facto Italian co-belligerency, and does not consider sufficiently, either the fight which the vanguard of the Italian people carried out against the fascist dictatorship by preparing the ground for the popular insurrection under the blows of which fascism substantially fell; the loyal participation of the Italian people and their military and partisan corps in the war effort of the United Nations from September 1943 [*Ed. Note:* The Italian papers gave this date as 1942] to the end of the war; or the will of the Italian people definitely to reject the policy, institutions and men who dragged them into the war on Hitler's side, a will which on 2 June last was crowned by the popular decision to found the new State on the principles of Democracy.

(2) "The treaty's solution of the problems relating to the eastern and western frontiers follows Government insists particularly on following, when fixing the eastern frontier, the criterion of the *ethnical line* agreed upon by the 'Four' at London in September 1945, by holding a plebiscite in the disputed zones. The Italian Government demands the application of this principle also in the possible case of the creation of a Trieste Free Territory, whose frontiers should at least be extended to the unquestionably Italian zones of Parenzo and Pola.

(3) "Italy's advance waiver of her sovereignty over the colonies contemplated by the Treaty, failing any indication of the juridical status which they will be given does not agree with any objective evaluation of the contribution of Italian labor in their improvement and in their future development.

(4) "The frontiers demilitarization and the military clauses of the treaty leave Italy defenseless and in a state of subserviency which affects its very independence. The mutilation of the navy has the character of a sanction, which is unjustifiable on the basis of the contribution it gave in the war at the side of the navies of the United Nations and of the heavy losses suffered during the fight against the common enemy.

(5) "The ensemble of economic and financial burdens relating to war reparations, the right of confiscation of Italian property abroad left to the discretion of each single State, the gratuitous seizure of statal and para-statal investments in favor of some countries, exceed any reasonable limit of Italy's actual capacity to pay. The situation is aggravated further by the burden of the occupation cost and services rendered during three years of Armistice regime, and by the renunciation demanded of Italy of any compensation from Germany for the co-belligerance period during which the hitlerite troops sacked and raided the Italian provinces. The Italian Government

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(2) "The treaty's solution of the problems relating to the eastern and western frontiers follows strategic and political principles which are in open contrast with the aspirations of the populations concerned and do not offer guarantees for the protection of minorities. The Italian Government insists particularly on following, when fixing the eastern frontier, the criterion of the *ethnical line* agreed upon by the 'Four' at London in September 1945, by holding a plebiscite in the disputed zones. The Italian Government demands the application of this principle also in the possible case of the creation of a Trieste Free Territory, whose frontiers should at least be extended to the unquestionably Italian zones of Parenzo and Pola.

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29 NOV 1946

1064
Declassified E.O. 12356 Section 3.3/NND No. 785020

point of the workers' living conditions. The Italian Government has already protested against the stipulations of the treaty, which have no foundation of justice. It renews to the Foreign Ministers of United States, Great Britain, Russia, and France the appeal to reconsider the proposal made by the Italian Delegation to the Conference of the 21.

"While reserving to the Constituent Assembly the sovereign rights with regard to the acceptance of the treaty in its final form which it will assume after the Foreign Ministers' decision, the Italian Government reaffirms its upright reservation against a unilateral and unjust judgment failing to consider the claims voiced in this note. Such claims are bound to keep, in any case, their full value in so far as they are imposed by the permanent and fundamental requirements for life and development of the Italian Nation". The note was signed by Foreign Minister Pietro Nenni.

Press Reaction.

Most of the major Italian papers carried the full text of the note. *Messaggero* headlined the story "Italy asks for the revision of the Peace Treaty for reasons of justice". *Avanti* declared "Our claims are rendered necessary by the basic needs of the Italian people". *Unità* stated, "The Peace Treaty must take into account Italy's contribution to the anti-fascist struggle". *Popolo*'s headline was, "The protest against the treaty in defense of our rights". In a leading article entitled "Invitation to be reasonable" Antonio Bergoni in *Avanti* said that no appeal to kindness had been made in the memorandum. Italy, he declared, did not approach "her head sprinkled with ashes and her naked knees on the frozen earth" but appealing to the solemn principles which constituted the moral basis for the war against nazi-fascism. After two world wars, he declared, international order should not be based upon revenge and hatred.

On 6 November, representatives of Italy and Yugoslavia presented their cases to the Council of Foreign Ministers. As reported by *Tempo*, Stanoje Simic, Vice-President of the Yugoslav Council of Ministers affirmed that: (1) Yugoslavia accepted the eastward enlargement of the Trieste Free Territory, thus giving the Territory an area of 44 square kilometers; (2) Yugoslavia abandoned her claim that only a Yugoslav citizen should

In this last particular, at least, Italy was in agreement.

Italian Ambassador Tarchiani asked that the Trieste problem be solved by means of a plebescite to be held among the population concerned, and expressed the hope that in any case the Governor of the Free Territory might be vested with very ample powers by the United Nations Security Council. "In this connection", he said, "I must recall to you that the frontier line agreed upon on 3 July 1946 represents a cruel mutilation of the patrimony of the Italian people, insofar as it leaves big masses of our brothers under foreign sovereignty".

Togliatti's Trip.

Considerable conjecture appeared in the Italian press over a trip made to Belgrade last week by Palmiro Togliatti, Secretary General of the Italian Communist Party. The purpose of his visit to the Yugoslav capital was not cleared up however, until the Communist leader was interviewed by *Unità* upon his return. Togliatti said that the purpose of his visit to Belgrade was twofold: first he wished to renew his old acquaintance with Marshal Tito and secondly in his capacity as Secretary General of the Communist Party in Italy he wished to ascertain what could be the basis of collaboration between the Italian and Yugoslav people in the interests of peace. Referring to the politically controversial problems that stud Italo-Yugoslav relations, Togliatti said, "Marshal Tito told me that he was disposed to consent that Trieste should belong to Italy, that is under the sovereignty of the Italian Republic if Italy agreed to leave to Yugoslavia the town of Gorizia, which on the basis of data at our Foreign Ministry is prevailingly Slav. The only condition which Tito puts is that Trieste should receive within the Italian Republic a really democratic autonomous statute allowing the Trieste citizens to rule their city and their territory according to democratic principles. I think that it is high time to stop exploiting the Trieste question to sow disagreement between the two peoples... and that Marshal Tito's proposal may serve as a basis for the definite solution of all controversial questions between the two countries." The Communist party leader further declared that Marshal Tito had agreed to the immediate return to Italy of the Italian soldiers who are still in Yugoslavia

Declassified E.O. 12356 Section 3.3/NND No. 765020

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1066
Declassified E.O. 12356 Section 3.3/NND No. 785020

Association) "to form a commission to contact the Yugoslav authorities for the practical carrying out of this resolution".

Togliatti concluded the interview by declaring that the Italian people were now in a position to understand that agreement and cooperation with Tito's Yugoslavia was quite possible as the Communists had always claimed. He added that it was now up to the Government to take the necessary steps in order to achieve a concrete agreement. *Unità* headed the story with an eight-column banner stating "Marshal Tito is disposed to leave Trieste to Italy", while the top-page box said: "Long live the Italo-Yugoslav agreement".

In a communiqué issued on 7 November, the Italian Government rejected Tito's Trieste offer as reported by Togliatti, stating that Gorizia was "an integral part of Italian territory and as such was recognized unanimously by the Big Four". The communiqué declared that Gorizia's cession to Yugoslavia could not be considered. *Messaggero* declared that De Gasperi said that the possibility of direct negotiations should not be excluded but that Tito's proposals should be discussed in close relation with the peace treaty since the Italo-Yugoslav frontier was an integral part of the treaty. It is interesting to note that as reported by *Messaggero*, Pietro Nenni, Italian Foreign Minister, declared that at Palazzo Chigi, there existed no document which might in any way justify the affirmation that the Foreign Ministry was convinced that the majority of Gorizia's population was Slav. Nenni's statement evidently referred to that of Togliatti in the *Unità* interview in which the Communist leader had declared that the town of Gorizia "on the basis of data at our Foreign Ministry is prevailingly Slav...".

Domestic Matters.

In the case of matters purely domestic the week was rather quiet. On 3 November Alcide De Gasperi, speaking to a meeting of Christian Democrats in connection with the forthcoming municipal elections, took up the recent pact of unity of action signed by the Communists and Socialists. In the course of his speech De Gasperi went on to say that the pact, which is the natural consequence of the Marxist ideology of the two parties, will be opposed by Christian Democracy. He added that if the Socialist and Communist Parties should form one single bloc at the next political

Pietro Nenni, Foreign Minister and leader of the Socialist Party answered De Gasperi in a speech delivered at Genoa on 4 November. According to *Momento* Nenni referring to the pact declared, "while we want to fight against poverty, unemployment, speculation and neo-fascism—which is seeking to take advantage of poverty and unemployment in order to enter into an open struggle against democracy—my friend De Gasperi shows signs of political anxiety to fight against Marxism".

In a leading article in *Avanti*, Sandro Pertini objected to De Gasperi's alleged feeling that the pact was a danger to liberty. The writer further stated that De Gasperi knew very well that Socialism and Liberty are one and the same thing to the Socialists. He criticized strongly De Gasperi's statement that the Christian Democrats intended to fight the two parties, intimating that this would mean the end of coalition government. The writer declared that the Socialists do not intend to be taken in tow by the other party but are convinced of the necessity of keeping the working classes united so as to be in a position to prevent any return of "reactionary" factors.

Partisans.

In the matter of the Partisan Resistance Movement, the Government issued a communiqué on 1 November asserting that the findings of the investigation confirmed the necessity of intervention by the public forces. The communiqué stated that four partisans who were held in the Biella zone had declared that leaders of the movement had intimated that arms and ammunitions would arrive at the place before long and that some of the partisans were already armed with automatic pistols and sub-machine guns. It was inferred that the police failure to impound these arms was caused by the fact that the partisans having heard of the arrest of their leaders had enough time to disperse and throw away their arms during the night. *Tempo* commented "One official communiqué draws another and all of them are always less convincing". *Italia Nuova* headlines the story "Embarassed communiqué on the Andreoni case... the government's prose does not succeed in concealing the truth: no evidence of guilt has been reached". Andreoni and other MRP members were released on 2 November by order of the Ministry of the Interior *Tempo* reported, but the paper declared,

Declassified E.O. 12356 Section 3.3/NND No. 785020

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In his speech of 3 November De Gasperi said that in the proceedings of the Milan Questura

1068
Declassified E.O. 12356 Section 3.3/NND No. 785020

there were four statements made by partisans which, "even if there were no other elements show by themselves that it was not a case of a peaceful movement meant to offer work to the unemployed". He said that he did not deny Andreoni or anyone else the right to organize a political party but he did deny them the right to organize a military organization outside the Government of the State. "This Government will never tolerate this, because, and this applies also to other movements, it is resolved to suppress any similar movement in order to safeguard democracy and liberty".

ECONOMIC FRONT

The Economic Division this week reported that there has been a slight decline in the wheat stocks during the past week. The stocks now on hand are sufficient to maintain the present ration for 72 days. The wheat situation in Venezia Giulia is unchanged. Stocks on hand on 24 October were sufficient to last until 4 December for bread and through November for pasta. Stocks on hand in Udine on 28 October were sufficient to support the bread ration until 7 February and the pasta ration through December. While no definite information is available at the present time, it is estimated that if the stocks in these two areas are combined, there will be sufficient to last until 31 December.

The end of the shipping strike in the United States permitted 100,000 tons of coal to be shipped before the end of October. This will increase the estimated stocks on hand from 265,000 to 365,000 tons. It is hoped that further sailings will increase this figure but no further information is available at the present time.

As to the status of P. O. L. stocks, there is a 30 day supply of motor gasoline with a tanker expected 17 November. Loans from military stocks have been arranged for areas in short supply. Kerosene stocks are at the normal 60 day level. Diesel oil stocks are down to 30 days supply but fuel oil stocks fully cover the normal 60 day target level.

Production of power in Central and Southern Italy has shown a slight improvement but this

COMPARTMENTS	Estimated Production as of 10/9/46	Amassing Goal as of 10/9/46	Collections Reported by Fed. Cons. Agrari as of 25/10/46	Percent of Goal Collected	Collections Reported by Fed. Cons. Agrari as of 1/11/46	Percent of Goal Collected
Piemonte	395,550	82,403	87,939	106.7	90,816	110.2
Liguria	19,450	383	269	70.2	299	78.1
Lombardia	559,550	326,662	233,829	71.6	235,453	72.1
Venezia Tridentina	15,700	3,431	166	4.8	172	5.0
Veneto	691,750	403,984	306,281	75.8	307,866	76.2
Emilia	1,064,920	574,858	514,645	89.5	516,027	89.8
Northern Italy	2,746,920	1,391,721	1,143,129	82.1	1,150,633	82.7
Toscana	464,200	182,535	195,039	106.8	195,902	107.3
Marche	463,200	252,200	252,184	100.0	252,354	100.1
Umbria	212,000	103,000	106,643	103.5	106,900	103.8
Lazio	277,500	102,361	86,602	84.6	86,837	84.8
Central Italy	1,416,900	640,096	640,468	100.0	641,993	100.3
Abruzzi e Molise	327,500	88,183	71,056	80.6	71,361	80.9
Campania	270,320	45,675	28,717	62.9	28,933	63.3
Puglie	297,350	100,545	78,423	78.0	79,003	78.6
Lucania	156,000	40,836	43,597	106.8	43,645	106.9
Calabria	137,900	29,422	13,394	45.5	13,489	45.8
Southern Italy	1,189,070	304,661	235,187	77.2	236,431	77.6
Sicilia	590,180	198,504	76,449	38.5	77,763	39.2
Sardegna	146,270	42,670	37,717	88.4	37,845	88.7

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Toscana	464,200	182,535	195,039	106.8	195,902	107.3
Marche	463,200	252,200	252,184	100.0	252,354	100.1
Umbria	212,000	103,000	106,643	103.5	106,900	103.8
Lazio	277,500	102,361	86,602	84.6	86,837	84.8
Central Italy	1,416,900	640,096	640,468	100.0	641,993	100.3
Abruzzi e Molise	327,500	88,183	71,056	80.6	71,361	80.9
Campania	270,320	45,675	28,717	62.9	28,933	63.3
Puglie	297,350	100,545	78,423	78.0	79,003	78.6
Lucania	156,000	40,836	43,597	106.8	43,645	106.9
Calabria	137,900	29,422	13,394	45.5	13,489	45.8
Southern Italy	1,189,070	304,661	235,187	77.2	236,431	77.6
Sicilia	590,180	198,504	76,449	38.5	77,763	39.2
Sardegna	146,270	42,670	37,717	88.4	37,845	88.7
Insular Italy	736,450	241,174	114,166	47.3	115,608	47.9
GRAND TOTAL	6,089,340	2,577,652	2,132,950	82.7	2,144,665	83.2

Declassified E.O. 12356 Section 3.3/NND No. 785020

is counterbalanced by a seasonable increase in consumption and decrease in supply from the North.

Liguria with a jump of 7.9 per cent. led all regions this week in the wheat amassing program. The figures furnished by UNRRA are given as usual in tabulated form. Results to date show that 83.2 per cent. of the goal has been collected throughout Italy. Five regions have now exceeded their amassing goals including three of the four regions of Central Italy. Central Italy has amassed 100.3 per cent. of its goal. Investigations regarding retentions are being completed and it is expected that revisions will be made accordingly.

AIR FORCES SUB-COMMISSION

Air Vice Marshal L. Darvall, C.B., M.C., A.O.C., A.H.Q. Italy, visited the Air Forces Sub-Commission on 7 November to discuss general policy matters with the Director.

Approval has been given for the establishment of a Brazilian Civil Air Line between Brazil and Italy, to operate weekly, subject to the signing in Washington of the Hold Harmless Agreement for use of Ciampino Airfield.

Representatives from M.A.A.C. (Mediterranean Allied Air Committee) Secretariat and G-3 at A.F.H.Q. made a staff visit to the Air Forces Sub-Commission on 5 November.

Squadron Leader A. W. Ray, Chief Signals Officer, visited Udine with Major Pelaci of the Italian Air Ministry to discuss arrangements for training of selected I.A.F. personnel in new and up to date equipment. They also arranged for an R.A.F. fitting party from the north to complete the installation of VHF, HF and HF/DF equipment at Linate airfield, Milan.

F/Lt. F. Reid and Lt. P. Cole, Air II and IV, respectively, visited R.A.F. and I.A.F. installations at Catania, Sicily and the British Overseas Airways Corporation and I.A.F. seaplane bases at Augusta, Sicily, on 5 and 6 November.

LAND FORCES SUB-COMMISSION (MMIA)

There is nothing to report on the activities of the Italian Army beyond the normal training and guard duties, which continue throughout Italy. Recruits under training at the Territorial Training Centres are due to be posted to their the Italian Army. The general principles have been agreed upon, and some progress has been made in the establishment of base workshops. Although a good deal of essential work is being done, output of the required magnitude is handicapped by damaged workshops, lack of raw materials and spare parts, and lack of funds with which to pay technical employees.

During the past week 2,500 Italian P.O.W. were repatriated from India, 102 from French North Africa, and some 70 from the Middle East.

NAVY SUB-COMMISSION

The Commander in Chief, Mediterranean Station has approved the transfer of an Italian tanker, now under construction at the Ansaldo Sestri Yards, to the Norwegian Government in exchange for two dry cargo vessels. The dry cargo vessels are not to be over 20 years of age, and must be from 7000 to 9000 tons deadweight.

Problems involving the ownership and disposition of various types of small craft have occupied the attention of the Navy Sub-Commission recently. In the process of cleaning Italian ports and harbors, long sunken amphibious boats of various descriptions have been recovered which, owing to long immersion are without any certain indication of original ownership other than that they are Allied property. The urgent need for disposing of recovered wrecks has had to be balanced against the necessity of determining the original ownership in order that proper authority may be obtained for their disposition. Even more complicated, however, are the intricacies arising from small power boats, formerly requisitioned by the Italian Government and then acquired by the Allies in various Italian and Italian Colonial ports. Many of the former owners are now pressing for the return of these craft pointing out that as fishermen, or small carriers, their livelihood depends on their regaining their property. Unfortunately it is not easy, under present conditions, to determine speedily the rights of all parties involved in each case. However a great deal of progress has been made in this field recently.

ODDS AND ENDS

Colonel James De B. Walback, (A), and Colonel Harry A. Kendall, (A), have recently been assigned to the Economic Division.

942

Declassified E.O. 12356 Section 3.3/NND No. 765020

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* * *

Captain Charles E. de Saro, (A), (Displaced Persons Division), was awarded the Army Commendation Ribbon on 18 September 1946.

1072
942
Declassified E.O. 12356 Section 3.3/NND No. 765020

November 8, 1946 Vol. I, No. 43

ECONOMIC NOTES

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CONTENTS

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2. Malaria Control
3. Commodity Price Decisions
4. Shipping Commentary
5. Movements of Ships

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Figures of UNRRA's grain shipments to Italy since the harvest, and of UNRRA's future grain programme were announced in an official joint statement issued last week by the Italian Government and the UNRRA Italy Mission.

"UNRRA's programme of cereal shipments to Italy for the period 1 July, 1946, onwards continues to stand at 750,000 tons," it is stated. "Deliveries since 1 July have been 211,000 tons, of which a part was the balance of the allocation for the second quarter of 1946.

"For the fourth quarter of this year, 120,000 tons of bread grains have been allocated to Italy by the International Emergency Food Council. A higher amount was requested by UNRRA and the money was available for its purchase, but this larger amount could not immediately be allocated by the International Emergency Food Council, in view of the present world supply situation.

Balance in 1947

"The announcement of the fourth quarter's allocation to Italy, namely 120,000 tons, is not to be taken as the complete UNRRA programme. The balance of the total UNRRA programme will, in fact, be shipped to Italy as early in 1947 as the allocations to Italy are granted by the International Emergency Food Council."

Following a new study of Italy's food production—with a view to assessing more exactly available home supplies—estimates of areas sown and crop production (on which the ammassing goals are based) have lately been revised upwards by the Ministry of Agriculture. The total wheat harvest for 1945-46 is now estimated to have reached 6,114,300 tons. This is nearly 2,000,000 tons better than 1944-45, but is approximately 1,080,000 tons—or 15 per cent.—below the average for the pre-war period, 1933-37.

Bigger Wheat Yield

The area sown in wheat in the 1945-46 crop year was 4,628,445 hectares (11,436,888 acres). This represents an increase of about four per cent. on the hectarage sown, compared with the previous year; but, thanks primarily to the better season, the wheat yield per hectare was very nearly 50 per cent. greater.

This year's rice crop is estimated at 479,000 tons, which, although very much better than a year ago, is still about 35 per cent. below the 1933-37 average, largely because of the lower production per hectare—namely, four tons compared with the pre-war five—and also because of decreased hectarage.

The deficiencies in the wheat and rice crops, comparing 1946 with the 1933-37 average, are equal to about two-thirds of Italy's minimum

1073
Declassified E.O. 12356 Section 3.3/NND No. 785020
941

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[As this issue goes to Press, word has come from Washington that an additional allocation from the United States for the fourth quarter of 1946 is now being arranged.]

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The deficiencies in the wheat and rice crops, comparing 1946 with the 1933-37 average, are equal to about two-thirds of Italy's minimum import needs before the next harvest. This underlines the vital importance of agricultural rehabilitation, to assure food supplies in the 1947-48 crop year.

941

1074
Declassified E.O. 12356 Section 3.3/NND No. 785020

The extent to which Italy receives help from abroad may in turn be largely influenced by the evidence of self-help on Italy's part.

Discussing Italy's need for foreign loans in 1947—during the course of a radio talk from Rome last week—the Chief of the UNRRA Italy Mission, Mr. S. M. Keeny, observed: "I hope, and believe, that this help will be forthcoming. It will come more readily if Italy does everything possible to help herself—especially by growing every pound of food possible."

Revised estimates for this season's ammassing goal—in view of the higher estimate of this year's harvest—are still under discussion between the Ministry of Agriculture and the UNRRA Italy Mission. Although 100 per cent. ammassing throughout the country is very improbable, certain regions have ammassed very well to date, notably Tuscany, Marche and Emilia.

Wheat for Sicily

A disturbing factor, on the other hand, is the very low percentage of collections made in certain Compartments, notably Sicily, where, however, ammassing has improved by 17,500 tons in the past two months. As an important grain-growing area of Italy, Sicily should have been able to meet a far larger proportion of its requirements from its own resources than at present appears likely. Although Sicily is not self-supporting in grain, imports from other parts of Italy have become necessary sooner than should have been the case.

The wide variation, comparing Compartment with Compartment, in the percentage of ammassi collections, and the small proportion of imported deliveries to big cities—such as Naples—owing to the very limited allocations of grain to Italy by the International Emergency Food Council in recent months, are adding to the cost and difficulty of maintaining food supplies. Italy has once more had to resort to abnormal and uneconomic internal movements of grain from surplus areas to the cities and other deficiency areas, in order to maintain the ration. These emergency movements—as distinct from normal internal trade between grain growing areas and their natural

imports before the next harvest must be procured and shipped during the first months of 1947 when world demand—against deficient world supplies—will be at its height. This emphasizes the need for care with existing supplies, if adequate reserves are to be maintained.

Subsidiary Grains

There is need also to include subsidiary grains like corn (maize), rye and barley in the standard bread flour *now*, while they can be mixed in relatively small proportions with the available wheat. These subsidiary grains all rank—for the purposes of world assessment of food stocks—as "bread grains"; and, in view of the world shortage of wheat, will need to be used if flour—and bread—rations are to be maintained. Too high a proportion of wheat in the flour now may result in an excessive mixture of minor grains in the flour during the last months before the harvest.

Whether paid for by UNRRA or by the Italian Government, the cost of wheat is a serious factor. Expenditure on wheat from the fixed total of UNRRA's budget for Italy may mean a reduction in expenditure on other imports; and the same is true of Italy's own purchases of bread grains, in view of the limited amount of foreign exchange available to meet all import requirements.

More important than finance is the question of whether stocks are, or will be, available to meet world demand in the first half of next year. This, rather than the amount of foreign exchange at Italy's command, will govern the volume of Italy's grain imports.

MALARIA CONTROL

UNRRA aid will play an important part in the all-out campaign against malaria throughout Italy and the islands, which was begun this year and is now in process of extension. The work is being undertaken by the Italian authorities, in collaboration with the UNRRA Italy Mission. UNRRA foreign currency is being used to buy abroad vital supplies, such as the D.D.T. required for spraying buildings; UNRRA trucks have been made available

1075 Declassified E.O. 12356 Section 3.3/NND No. 785020

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The small allocation of grain for the fourth quarter means that the bulk of Italy's grain [illegible] adequate reserves are to be maintained.

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1973
Declassified E.O. 12356 Section 3.3/NND No. 785020

Proposals are now in preparation, for submission to the Lire Fund Control Committee, to finance a long-term programme of malaria control on the Italian mainland and in Sicily. This programme has been prepared by the High Commissioner for Hygiene and Public Health, and approved by the Health Division of the UNRRA Italy Mission. It is at present in its early discussion stages, and details have not yet been finally settled. Broadly, however, it is designed to carry on and extend UNRRA's highly successful anti-malaria campaign of D.D.T. spraying, undertaken this year in Sicily, the Po Delta, the Venetian littoral, the Agro Pontino and the Agro Romano.

Sardinian Project

Large-scale D.D.T. spraying operations are expected to begin this month in connection with the anopheline eradication project in Sardinia. This campaign is being undertaken by the organization, E.R.L.A.A.S. (Ente Regionale per la Lotta Anti-Anofelica in Sardegna), created by Government Decree.

The project is to be financed by a grant from the Lire Fund. The first appropriation was 300,000,000 lire: but this figure will need to be revised upwards. In addition, the UNRRA Italy Mission is providing foreign currency to buy essential items, such as 800 tons of D.D.T. emulsion and 200 trucks. E.R.L.A.A.S. is an Italian project, operating under Government auspices, and directed by technicians provided by the International Health Division of the Rockefeller Foundation.

The project is designed entirely to eradicate the anopheline mosquito from the island of Sardinia, where during the past three years the known incidence of malaria in the provinces of Cagliari, Nuoro and Sassari has been 70,000 cases a year. Since many cases are not reported, the true figure is estimated to be nearer 125,000 a year.

Work During Winter Months

Contrary to the procedure adopted where larvicidal control is the chief method of attack, the E.R.L.A.A.S. campaign, which is based on the fact that the anopheline, malaria-bearing mosquito population consists of adults, hibernating by the thousand in houses and other buildings, particularly stables and pigsties.

Every Building To Be Sprayed

Systematic destruction of adult mosquitoes with D.D.T. during the period of hibernation has already proved very successful, since it vastly reduces subsequent breeding. Because of the lasting properties of D.D.T., spraying remains effective for six to eight months, or even longer. It is hoped to have every building in the island sprayed before the spring. During the summer months, spraying will stop, and the campaign will then be diverted to the destruction of larvae. The cycle of winter spraying with D.D.T. and summer larva control will be repeated for two or three years, at the end of which, it is hoped, malaria will be entirely eradicated.

The Government Decree establishing E.R.L.A.A.S. was promulgated in April—too late for the campaign to begin during the 1946 malaria season. During the summer months, however, a detailed survey of the whole island was carried out with the help of UNRRA. Bases were established at Cagliari, Oristano, Sassari, Olbia, Nuoro and Arbatax, from which 1,000 inspections were carried out over an area of 1,500 square miles. This survey will prove of great value in the course of the campaign, since it has established the species of anopheline malaria-carrying mosquitoes chiefly met with, and where they are located.

COMMODITY PRICE DECISIONS

The Italian Government and the UNRRA Italy Mission have agreed to the following price recommendations of the Joint Price Committee at its meetings held on 28 October and 2 November:—

INDUSTRIAL REHABILITATION

Bitumen - all types:

21 lire per kilogram ex consignee's warehouse, including Customs. Customs to be refunded to the Lire Fund.

Solvent naphtha (light):

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Work During Winter Months

Contrary to the procedure adopted where larvicidal control is the chief method of attack, the E.R.L.A.A.S. campaign, which is based on D.D.T. spraying, will be at its height in the winter months.

During these months breeding in ponds and streams stops completely. The entire tienlarly stables and pigsties.

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Solvent naphtha (light):

5,030 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

Solvent naphtha (medium):

5,320 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

Declassified E.O. 12356 Section 3.3/NND No. 785020

Solvent naphtha (heavy):
5,280 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

White spirit:
4,790 lire per quintal ex CIP (Comitato Italiano Petroli) regional tanks or storehouses.

Fire clay (Sub-standard):
3 lire per kilogram, ex C.I.M.P. warehouse, for fire clay which contains less than 36 per cent. alumina and more than 1 per cent. iron oxide.

Fire clay (Standard - which meets UNRRA procurement specifications):
7 lire per kilogram, including handling charges, ex consignee's warehouse.

Magnesite bricks:
28.80 lire per kilogram ex consignee's warehouse.

Calcined magnesite:
16.15 lire per kilogram ex consignee's warehouse.

Sanocure:
490 lire per kilogram ex consignee's warehouse.

Channel black:
65 lire per kilogram ex consignee's warehouse.

Furnace black:
55 lire per kilogram ex consignee's warehouse.

Pine tar:
45 lire per kilogram ex consignee's warehouse.

Bitumen imports have been programmed at 75,000 tons. Of the 9,944 tons which have arrived to date, 8,000 tons have been allocated to the Ministry of Public Works for road repair.

Aid for Rubber Industry

The naphtha and white spirit, of which 16,000 tons are included in UNRRA's import programme, are required for the rubber industry.

Fire clay, of which UNRRA plans to import 30,000 tons, is required for home production of refractory materials, and will also be used in cement and brick kiln linings, and open hearth furnaces. A lower price has been fixed for that portion of the procurement which does not tally with UNRRA specifications. Refractories are also being imported in the form of calcined magnesite and magnesite bricks urgently needed for the relining and repair of steel furnaces, and reconstruction in the chemical and metallurgical industries.

Sanocure (13 tons) and plastifying pine tar (960 tons) are two of the basic products to be used in processing rayon for use in the manu-

FOOD

Milk (whole dry):
150 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Milk (evaporated):
52 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Milk (dry skim roller and dry skim spray):
60.50 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Beans (haricot), *peas* (dried), *lentils*, *garbanzos*:
55 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Lard, *shortening*, *fat cuts*:
130 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Copra:
3,300.50 lire per quintal, free port warehouse, Genoa.

Margarine (produced from UNRRA-imported copra):
160 lire per kilogram, wrapped in one-kilogram packets, packed in 30-kilogram cases, free manufacturer's warehouse.

Margarine (imported):
110 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Soup (dehydrated):
35 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

UNRRA's original food programme included 63,400 metric tons of dairy products, against which 63,800 tons had arrived by 10 October, 1946; 49,000 tons of edible fats and oils (31,393 tons arrived); 45,000 tons of pulses (29,194 tons arrived); and 8,188 tons of dehydrated soup (7,311 tons arrived). These, like all other UNRRA supplies, were handed over to the Italian Government free of charge for sale at controlled prices, or for free distribution to the needy. The procurement of further quantities will depend on world availability and possible readjustment of Italian requirements.

Food Prices Compared

A comparison between some of the food prices now fixed by the Joint Price Committee and the prices normally charged on the "free" market show how uncontrolled distribution raises the cost of living. The "free" price to normal consumers of home-produced whole dry milk has averaged 400 lire per kilogram; condensed (evaporated) milk, 250 lire per kilogram; dry skim (spray) milk, 350 lire per

Declassified E.O. 12356 Section 3.3/NND No. 785020

Petroli) regional tanks or storehouses.

Fire clay (Sub-standard):

3 lire per kilogram, ex C.I.M.P. warehouse, for fire clay which contains less than 36 per cent. alumina and more than 1 per cent. iron oxide.

Fire clay (Standard - which meets UNRRA procurement specifications):

7 lire per kilogram, including handling charges, ex consignee's warehouse.

Magnesite bricks:

28.80 lire per kilogram ex consignee's warehouse.

Calcined magnesite:

16.15 lire per kilogram ex consignee's warehouse.

Sanocure:

490 lire per kilogram ex consignee's warehouse.

Channel black:

65 lire per kilogram ex consignee's warehouse.

Furnace black:

55 lire per kilogram ex consignee's warehouse.

Pine tar:

45 lire per kilogram ex consignee's warehouse.

Bitumen imports have been programmed at 75,000 tons. Of the 9,944 tons which have arrived to date, 8,000 tons have been allocated to the Ministry of Public Works for road repair.

Aid for Rubber Industry

The naphtha and white spirit, of which 16,000 tons are included in UNRRA's import programme, are required for the rubber industry.

Fire clay, of which UNRRA plans to import 30,000 tons, is required for home production of refractory materials, and will also be used in cement and brick kiln linings, and open hearth furnaces. A lower price has been fixed for that portion of the procurement which does not tally with UNRRA specifications. Refractories are also being imported in the form of calcined magnesite and magnesite bricks urgently needed for the relining and repair of steel furnaces, and reconstruction in the chemical and metallurgical industries.

Sanocure (13 tons) and plastifying pine tar (960 tons) are two of the basic products to be used in processing rayon for use in the manufacture of tyres. Channel and furnace black are basic elements in the manufacture of carbon black, required for the processing of rubber.

[illegible] warehouse.

Milk (evaporated):

52 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Milk (dry skim roller and dry skim spray):

63.50 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Beans (haricot), *peas* (dried), *lentils*, *garbanzos*:

55 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Lard, *shortening*, *fat cuts*:

150 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Copra:

3,300.50 lire per quintal, free port warehouse, Genoa.

Margarine (produced from UNRRA-imported copra):

100 lire per kilogram, wrapped in one-kilogram packets, packed in 30-kilogram cases, free manufacturer's warehouse.

Margarine (imported):

110 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

Soup (dehydrated):

33 lire per kilogram on retailer's vehicle, ex intercommunal warehouse.

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Continued on Page 6

Declassified E.O. 12356 Section 3.3/NND No. 785020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(28 OCTOBER - 3 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Voluntas	Genoa	28 October	It. Programme	Minerals	8,428
Philomel (1)	Naples	» »	UNRRA/Commercial	General	500
Virtu	Genoa	29 »	UNRRA	»	731
River Swift	Leghorn	30 »	»	Minerals	1,441
Capo Mele	Genoa	2 November	It. Programme	»	5,260
Makiki	»	» »	It. Programme/Comm'l. Swiss	General	8,260
Carlo Zeno	Piombino	» »	It. Programme	Minerals	2,100
Olympos	Genoa	3 »	Swiss	Cereals	7,213

NOTE: (1) Also discharged at Genoa and Leghorn.

LATEST COAL SHIPMENTS

(28 OCTOBER - 3 NOVEMBER INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Karmen	Venice	28 October	Yugoslavia	Commercial	3,500
Fort Slave	»	» »	South Africa	UNRRA	6,196
Westmoor	Savona	29 »	Germany	»	7,768
David E. Hughes	Genoa	» »	Bahrein	It. Program.	7,500
Greenland	»	» »	United Kingdom	UNRRA	3,833
Gloria C.	Venice	» »	Yugoslavia	Commercial	550
Augustine B. McManus	Savona	1 November	United States	Swiss	9,475
Indore	Civitavecchia	» »	South Africa	Brit. Army	8,514
Fjeld	Bagnoli	2 »	Germany	UNRRA	4,350
Fort Beausejour (1)	Ancona	» »	South Africa	»	4,429
Stad Haarlem	Savona	3 »	Germany	»	7,700

NOTE: (1) Also discharged at Bari.

940

Declassified E.O. 12356 Section 3.3/NND No. 785020

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940

Declassified E.O. 12356 Section 3.3/NND No. 785020

SHIPPING COMMENTARY

Arrivals of sea-borne UNRRA supplies reached a low level last week, owing to the delayed effect of the United States maritime strike. Shipments from United States ports were resumed at the beginning of last week, and first cargoes are scheduled to reach Italian ports about 16 November.

Total coal arrivals from overseas for the Italian civilian economy amounted to approximately 55,000 tons.

Some 100,000 tons of UNRRA coal are expected to arrive from the United States alone before 20 November, and shipping advices to date report that expected loadings for the first half of November will amount to a further 170,000 tons. The latest advices indicate that over 60 colliers will be loaded in the United States for Italy during the whole month of November.

A further consignment of cargo-handling gear and port equipment amounting to 730 tons was unloaded at Genoa. It included steel nets, steel cables, spare parts for engines and pumps (cylinder heads and pistons, piston rings, valves, generators, crankshafts, bearings, oil filters, electric motors and chains). (See *Economic Notes* No. 42, of 1 November, 1946.)

Main items brought in by other UNRRA vessels were 1,441 tons of fire clay—part of the 30,000 tons fire clay programme—270 tons of natural rubber, 142 tons of woollen rags, 41 tons of lead billets and eight tons of medical supplies.

Continued from Page 4

COMMODITY PRICE DECISIONS

Similarly calculated prices for dried vegetables average: haricot beans, 160 lire per kilogram; dried peas 100 lire per kilogram; lentils 160 lire per kilogram; garbanzos 106 lire per kilogram. The price of home-produced fat of similar quality to that for which prices have now been fixed is about 400 lire per kilogram to normal consumers.

The milk now being sold at controlled prices will mostly be issued as a supplementary ration to nursing and expectant mothers, babies, invalids and the aged, and also to special classes. A certain proportion will be distributed free of charge through relief organizations, as part of the UNRRA Welfare Assistance Programme.

Dried vegetables are important sources of high-grade protein and UNRRA supplies are being distributed to special classes. The meat fats and margarine will be issued partly to normal consumers on the ordinary ration, and partly to special classes and the welfare programme.

Copra (of which 12,500 tons have been imported under the edible fats programme) is being used for making margarine, and other purposes (see *Economic Notes* No. 37 of 27 September, 1946).

Declassified E.O. 12356 Section 3.3/NND No. 785020

November 2, 1946 Vol. III, No. 29

ALLIED COMMISSION

WEEKLY BULLETIN

PUBLISHED BY PUBLIC RELATIONS BRANCH, HEADQUARTERS, ALLIED COMMISSION, APO 794

1034
All declassified E.O. 12356 Section 3.3/NND No. 785020

POLITICAL

With the closing of the Paris Peace Conference and the transfer of the international political spotlight to the UN meeting in New York, Italy turned its attention to domestic things. Among the more outstanding items of local interest were the pact of unity between the Communists and the Socialists, the so-called secession of the Partisans in the North and the furtherance of agreement between the trade unions and the industrialists.

An event of extremely interesting political significance took place during the week with the publication on 27 October of a renewed "pact of unity of action", by the Communist and Socialist Parties. The pact was presented in *Avanti* as heralding the concentration of all the popular forces in the struggle against reactionary conservatism and as a definite bid for power upon the part of the working classes. It was also stated by the paper that both parties were convinced that they could not realize their aims nor take the lead in "renewing and guiding" the political and social life of Italy without the efforts of both parties combined.

The pact itself was not new. There had existed one since August of 1944. It had been drawn up however while the Allied armies were fighting around Florence and consequently the first aim of all was the defeat of the enemy armies and the liberation of the country from the remains of fascism. The social and economic measures of the former pact were touched on but lightly, and these measures were of an emergency nature.

The terms of the current pact are considered more in the nature of a program offered the government than an instrument regulating the relations between the two parties. It is very

The chief aims of the new pact as published by *Avanti* are as follows:

(1) The clearing up of any survival of fascism and of any attempts to revive the old regime.

(2) The defense and consolidation of the democratic Republic and of public liberties.

(3) Industrial reform, based on a concrete plan of industrial reconstruction and renewal; the nationalization of the monopolistic industries, of the great banks and of public services and the creation of "management boards".

(4) Agricultural reform based upon the abolition of large landed estates and property, by increasing the cooperative farms for producing and processing agrarian products, by the improvement of agrarian contracts and by assistance to be given to all direct forms of farming.

(5) The improvement of the living conditions of all manual laborers and intellectual workers by safeguarding wages, salaries, pensions and subsidies and by bringing them into line with the cost of living and the improvement of the actual general economic condition of the country.

(6) The defense of the personality and human dignity of workers by means of social legislation which will guarantee work for all at the same time insuring the minimum sum required for living, a house, schooling, medical assistance and welfare arrangements as regards sickness, accidents and old age.

(7) The safeguarding of the real value of the workers earnings, of pensions and small incomes, by the defense of the lira to be achieved by the strict taxation of the incomes of the well-to-do, the extraordinary tax on capital, tax reform and the increase of all the productive activities of the nation.

(8) Peace, by means of a foreign policy which by enabling the nation to regain its poli-

939

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(8) Peace, by means of a foreign policy which, by enabling the nation to regain its political and economic independence as soon as possible, that is to say, its liberty to produce, to trade and to emigrate, shall be based on the principle

939

Declassified E.O. 12356 Section 3.3/NND No. 785020

of the international organization of collective security and of solidarity between the peoples and between the workers and democratic associations of all countries.

The agreement further goes on to state that the pact of unity of action tends toward the democratic acquisition of the majority of votes and the closest collaboration of the two parties with all other democratic forces. *Tempo*, headlines "A compromise solution. Autonomy and equality of the two parties. From nationalization to the conquest of power. Adoption of the democratic method".

For the attainment of the aims cited above the parties undertake to consult each other frequently regarding all questions of mutual interest. Principal among such subjects *Avanti* lists the following:

a) all government, parliamentary and municipal action; *b*) any Government crisis in view or taking place; *c*) joint agitations on a national basis or of national importance even though localized, whenever either party considers it advisable to promote them; *d*) the study and adoption of measures for coordinating in the general interest of the working classes, cooperative trade union matters; *e*) questions relating to the election of trade union leaders and; *f*) electioneering campaigns whether political or administrative. It is warned, however, that while each party may have its own list all appearance of rivalry between the parties must be avoided and on the other hand the impression must be given of solidarity of the two parties against the competing parties.

Avanti further states that complete autonomy of the parties is not lost. Should the two parties not agree in the case of any problem, liberty of action is restored to each. The pact however, will remain in force until it is denounced by one or other of the parties.

Unità gave the full text of the pact under the headline "United Action between the Communist party and the Socialist party for the renewal of Italy's political and social life". In *Popolo*, Giulio Andreotti commented under the heading "The confusion continues..." as follows: "The Socialists are from now on bearing full responsibility for the future which might bring the ruin of the Socialist party". Panfilo Gentile in *Risorgimento Liberale* called the new pact not so much an alliance as an amalgamation. He claimed that under it the Socialists will be organs of

and declared that two years of extremely difficult collaboration within the Government had convinced the left that such a collaboration would not be possible.

Partisans.

A further internal headache faced by the Government was a so-called partisan secessionist movement in the North which originated in Piedmont, and was first reported in the press on 24 October. The partisans gathered at Curino (Biella) under the leadership of "Selva", former commander of the Cesare Battisti Valdessole partisan division. According to *Tempo*, the group was forming squads of workers and each bore a star on his chest with the device MRP (Partisan Resistance Movement). The area however was reported calm in the face of the movement. *Italia Nuova* reported that the movement had been disowned by the Biella section of the ANPI (Italian Partisans National Association). Practically all papers had a field day describing the movement as belonging to one political faction or another. It was labelled variously anticommunist, extreme marxist, monarchist and trotzkyist. No armed activity was reported by any of the papers but *Momento* declared that the operation of the movement would develop according to the following line: organization, deployment, overthrowing of the Italian Partisans National Association and fight for seizing control of the Government.

The allegation that the movement was communist received a setback when on 25 October the Milan police raided the headquarters of the MRP and arrested 18 persons. No arms were found but among those arrested was Carlo Andreoni, a leading figure. In a comment on Andreoni's arrest *Tempo* declared that Andreoni was Vice-Secretary of the Socialist Party until Rome was liberated and then left the party about the time the original pact of unity was formed between the Communists and the Socialists. At this time he formed the MRP which organized partisans, veterans and unemployed outside the acknowledged associations and syndical organizations. *Tempo* chided the government in declaring that Andreoni was also against the CGIL inferring that his arrest followed the development of the movement very swiftly in contrast to the action of the government toward other partisans defended by the Leftist parties.

Press Comment.

Declassified E.O. 12356 Section 3.3/NND No. 765020

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Press Comment.

The inference was echoed by *Buonsenso* which headlined the story: "In Biella area the partisan movement has an anti-communist background -

1087
Declassified E.O. 12356 Section 3.3/NND No. 785020

This is the reason why police forces were summoned against the MRP". On the other hand in an interview in *Unità*, Francesco Scotti, Communist Deputy in the Constituent Assembly, declared that the leaders of the movement were in close connection with the National Democratic Front as well as with the Trotzskyist Magazine "Internationale". He contended that the partisans were not unemployed people looking for a job but plotters against the power of the state. *Voce Repubblicana* in a leading article entitled "Admonition from the Mountain", asserted that the main object of the movement was the declaration of the sacred right of partisans to work. The paper declared flatly that the action of the group was not a seditious movement.

The Government was faced with a problem and on 28 October issued an official communiqué. It outlined the development of the movement citing that the group had issued manifestoes and noting the alleged military organization of the movement. (The communiqué declared that the group had issued motor circulation permits signed "the commander of the area"). The communiqué dwelt on the arrest of the leaders declaring in regard to comment in the press that the Government had not intervened against a party or political movement as such but against an illegal demonstration having a "squadrista" character, which, if not checked, the communiqué said, could lead to the graver consequences.

The press in general found the Government communiqué unsatisfactory. *Tempo* frankly worried lest the old method of arresting first and locating the evidence later had returned. *Italia Nuova* adopted the same tone. The same newspaper also pointed out that the newspaper of a party participating in the Government *Voce Repubblicana* had protested against *Unità*'s charge that the movement was fascist. *Italia Nuova* hinted strongly that the arrests were caused by Communist pressure on the Government. *Momento* adopted a middle course favoring neither Government not partisans but insisting that the people had a right to be informed. *Giornale della Sera* saw "crisis", in the whole situation. Significant was *Avanti*'s reaction which declared that the Government should avoid applying the same systems which were used by Fascism and giving the impression that its actions were influenced by the fact that those arrested were adversaries of the Government.

was signed on 30 October. The basic wages set on 23 May were increased by 35 per cent, but it was agreed that when stipulating collective labor contracts the National Federations in agreement with the local organizations may increase them by an additional 15 per cent, in consideration of the particular industrial conditions of each region. The vacation period for workers has been increased to 12 days. Following the Government's assurance that prices to be paid by the Government itself to building construction contractors would be increased, the Industrialists agreed that the document would apply also to building construction workers. Application to Sicily of the provision for additional 15 per cent. wage increase was left for further discussion. By this agreement the confederations undertake to respect the wage truce for a six month period.

As for the peace treaty, that was temporarily in a dormant stage as the United Nations gathered in New York to consider a crowded agenda of other weighty problems. It was believed that the Council of Foreign Ministers would begin their deliberations on the final Italian peace treaty in the American City on 4 November and other than the decision to assemble the Italian Ambassadors to the Big Four countries in the United States in order to further their country's interest, nothing of prime interest developed in regard to the treaty.

In its issue of 2 November, *Il Giornale della Sera* reported that the changes in the ambassaderships which had been predicted with the appointment of Pietro Nenni as Foreign Minister would be approved by the Council of ministers the same day. According to the paper L. M. Lombardo will be appointed to Washington to succeed Alberto Tarchiani: Manlio Brosio wil replace Pietro Quaroni in Moscow: Quaroni will go to Paris: Tarchiani will go to Buenos Aires; Renato Prunas will take over the post in Ankara; Giustino Arpesani will go to Brussels; Egidio Reale will become Ambassador to Switzerland.

ECONOMIC FRONT

Marche, this week joined the circle of Regions which have reached or surpassed their wheat amassing goals. The figures in tabulated form are published as furnished by UNRRA and the Eco-

Declassified E.O. 12356 Section 3.3/NND No. 785020

declared that the leaders of the movement were in close connection with the National Democratic Front as well as with the Trotzskyist Magazine "Internationale". He contended that the partisans were not unemployed people looking for a job but plotters against the power of the state. *Voce Repubblicana* in a leading article entitled "Admonition from the Mountain", asserted that the main object of the movement was the declaration of the sacred right of partisans to work. The paper declared flatly that the action of the group was not a seditious movement.

The Government was faced with a problem and on 28 October issued an official communiqué. It outlined the development of the movement citing that the group had issued manifestoes and noting the alleged military organization of the movement. (The communiqué declared that the group had issued motor circulation permits signed "the commander of the area"). The communiqué dwelt on the arrest of the leaders declaring in regard to comment in the press that the Government had not intervened against a party or political movement as such but against an illegal demonstration having a "squadrista" character, which, if not checked, the communiqué said, could lead to the graver consequences.

The press in general found the Government communiqué unsatisfactory. *Tempo* frankly worried lest the old method of arresting first and locating the evidence later had returned. *Italia Nuova* adopted the same tone. The same newspaper also pointed out that the newspaper of a party participating in the Government *Voce Repubblicana* had protested against *Unità*'s charge that the movement was fascist. *Italia Nuova* hinted strongly that the arrests were caused by Communist pressure on the Government. *Momento* adopted a middle course favoring neither Government not partisans but insisting that the people had a right to be informed. *Giornale della Sera* saw "crisis", in the whole situation. Significant was *Avanti*'s reaction which declared that the Government should avoid applying the same systems which were used by Fascism and giving the impression that its actions were influenced by the fact that those arrested were adversaries of the Government.

Wage Agreement.

The final text of the wage agreement between the CGIL and the Confederation of Industrialists [illegible] Federations in agreement with the local organizations may increase them by an additional 15 per cent. in consideration of the particular industrial conditions of each region. The vacation period for workers has been increased to 12 days. Following the Government's assurance that prices to be paid by the Government itself to building construction contractors would be increased, the Industrialists agreed that the document would apply also to building construction workers. Application to Sicily of the provision for additional 15 per cent. wage increase was left for further discussion. By this agreement the confederations undertake to respect the wage truce for a six month period.

As for the peace treaty, that was temporarily in a dormant stage as the United Nations gathered in New York to consider a crowded agenda of other weighty problems. It was believed that the Council of Foreign Ministers would begin their deliberations on the final Italian peace treaty in the American City on 4 November and other than the decision to assemble the Italian Ambassadors to the Big Four countries in the United States in order to further their country's interest, nothing of prime interest developed in regard to the treaty.

In its issue of 2 November, *Il Giornale della Sera* reported that the changes in the ambassaderships which had been predicted with the appointment of Pietro Nenni as Foreign Minister would be approved by the Council of ministers the same day. According to the paper I. M. Lombardo will be appointed to Washington to succeed Alberto Tarchiani; Manlio Brosio wil replace Pietro Quaroni in Moscow; Quaroni will go to Paris; Tarchiani will go to Buenos Aires; Renato Prunas will take over the post in Ankara; Giustino Arpesani will go to Brussels; Egidio Reale will become Ambassador to Switzerland.

ECONOMIC FRONT

Marche, this week joined the circle of Regions which have reached or surpassed their wheat amassing goals. The figures in tabulated form are published as furnished by UNNRA and the Economic Section. It is worthy of note that Central Italy is listed as having reached 100 % of its amassing goal. The overall total for Italy was 82.7 % as of this week.

1089
Declassified E.O. 12356 Section 3.3/NND No. 785020

COMPARTMENTS	Estimated Production as of 10/9/46	Amassing Goal as of 10/9/46	Collections Reported by Fed. Cons. Agrari as of 18/10/46	Percent of Goal Collected	Collections Reported by Fed. Cons. Agrari as of 25/10/46	Percent of Goal Collected
Piemonte	395,550	82,403	85,701	104.0	87,939	106.7
Liguria	19,450	383	241	62.9	269	70.2
Lombardia	559,550	326,662	231,774	70.9	233,829	71.6
Venezia Tridentina	15,700	3,431	157	4.6	166	4.8
Veneto	691,750	403,984	304,776	75.4	306,281	75.8
Emilia	1,064,920	574,858	513,319	89.3	514,645	89.5
Northern Italy	2,746,920	1,391,721	1,135,968	81.6	1,143,129	82.1
Toscana	464,200	182,535	194,466	106.5	195,039	106.8
Marche	463,200	252,200	251,924	99.9	252,184	100.0
Umbria	212,000	103,000	106,381	103.3	106,643	103.5
Lazio	277,500	102,361	86,069	84.1	86,602	84.6
Central Italy	1,416,900	640,096	638,840	99.8	640,468	100.0
Abruzzi e Molise	327,500	88,183	70,831	80.3	71,056	80.6
Campania	270,320	45,675	28,582	62.6	28,717	62.9
Puglie	297,350	100,545	77,989	77.6	78,423	78.0
Lucania	156,000	40,836	43,489	106.5	43,597	106.8
Calabria	137,900	29,422	13,212	44.9	13,394	45.5
Southern Italy	1,189,070	304,661	234,103	76.8	235,187	77.2
Sicilia	590,180	198,504	75,833	38.2	76,449	38.5
Sardegna	146,270	42,670	37,502	87.9	37,717	88.4
Insular Italy	736,450	241,174	113,335	47.0	114,166	47.3
GRAND TOTAL	6,089,340	2,577,652	2,122,246	82.3	2,132,950	82.7

The Economic Section this week reported that the wheat stocks now on hand in Italy amount to 1,016,600 tons or enough to fill the requirement for 81 days. Another 100,000 tons is expected to arrive from the United States before the end of the year.

In the case of fuel the end of the shipping strike in the United States was expected to result in an improvement in Italy's Coal situation. Stocks of coal in the country at the beginning of October were 714,000 tons. Estimated October arrivals are now 321,000 tons, making a total of 1,035,000 tons. 500,000 tons of this will have been consumed during the month of October, leaving a balance of stock on hand 1 November 535,000 tons. Estimated arrivals from sources other than U. S. during November are 180,000 tons. November allocations will now be based upon

The stock of motor gasoline is now down to 35 days' supply. This in itself is not so serious, but the bulk of the supply is in the North. Therefore, the situation in Southern Italy is critical. Diesel oil is down to approximately 35 days' supply. Fuel oil stocks fully cover the 60 day target level. The first 2 cargoes of crude oil are now expected at Bari on 12 and 16 November respectively. Two cargoes are also due at Naples on 16 and 17 November respectively. It is not expected that refined products from this crude oil will be available for local distribution before December.

Power Situation.

There has been a further very slight improvement in the power supply situation in Central and Southern Italy due to the recent rainfall. In Northern Italy the electric power availability

1060 Declassified E.O. 12356 Section 3.3/NND No. 785020

Liguria	19,460	383	241	62.9	269	70.2
Lombardia	559,550	326,662	231,774	70.9	233,829	71.6
Venezia Tridentina	15,700	3,431	157	4.6	160	4.8
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The stock of motor gasoline is now down to 35 days' supply. This in itself is not so serious, but the bulk of the supply is in the North. Therefore, the situation in Southern Italy is critical. Diesel oil is down to approximately 35 days' supply. Fuel oil stocks fully cover the 60 day target level. The first 2 cargoes of crude oil are now expected at Bari on 12 and 16 November respectively. Two cargoes are also due at Naples on 16 and 17 November respectively. It is not expected that refined products from this crude oil will be available for local distribution before December.

Power Situation.

There has been a further very slight improvement in the power supply situation in Central and Southern Italy due to the recent rainfall. In Northern Italy the electric power availability is good, but due to the considerable post-war increase in consumption, rationing has had to be imposed. Only by the construction of new hydro-electric and thermal plants can the power situation in Italy be permanently improved.

1091

Declassified E.O. 12356 Section 3.3/NND No. 785020

AIR FORCES SUB-COMMISSION

On Thursday 24 October, Wing Commander C. M. M. Grece D. F. C. and Lt. Patt Favano represented the Director of the Air Forces Sub-Commission at a demonstration of the use of Allied fighters and fighter bombers in support of ground forces at Udine.

The Demonstration was organized by Air Headquarters Italy and was designed to show the extent to which air forces can be used in support of the army, and the speed and means by which aircraft can be brought to bear on to a target. Altogether sixty Allied fighter aircraft were employed and weapons used included bombs, rockets, cannon and fire bombs.

A large number of British and American Army officers were present at the demonstration. The A. F. S. C. officers took with them a number of officers of the Italian Air Force together with a representative of the M. M. I. A. and the Commandant of the Italian Army school of Cooperation. The Air Officer Commanding R. A. F. Italy stated that it was hoped to stage similar demonstrations from time to time and that the A. F. S. C. should invite the commanding officers of the Italian Fighter Wings.

Section Officer P. M. Gravell arrived from Air Headquarters to take up duties as an Intelligence Officer with A. F. S. C.

LAND FORCES SUB-COMMISSION

(MMIA)

The Director, Maj. Gen. E. H. Goulbourn D.S.O. has just returned from a week's visit to the Italian Army in Sicily the main object of which was to assess progress in the equipment and training of the two divisions and the territorial troops in the island. Although progress must necessarily be slow, due to distance involved and lack of transport facilities, it nevertheless appears to be steady; and a gratifying amount of enthusiasm is evident among officers and men, not only of the older categories, but also of the new intake. The General made an extensive tour of the whole island and met most of the Commanding Officers concerned. A forced landing of the courier plane on the return journey enabled the General to have a look at the Salerno beaches.

during their last days of life, have in turn to be taken care of by the B. L. U.'s. The many problems of accomodation and maintenance are, however, being tackled successfully, though with difficulty, and no major breakdown has occurred so far.

Decoration.

On 30 October Rear Admiral Ellery W. Stone, Chief Commissioner Allied Commission, presented Lt. Col. James E. Regis, chief of the I. P. W. Division with the Bronze Star in a simple ceremony held in the Chief Commissioner's Office. The award was made for meritorious achievement in connection with military operations in North Africa and Italy during the period from 27 October 1943 to 2 July 1944.

According to the citation Lt. Col. Regis as Chief Civil Affairs Officer for Tunisia was assigned the task of organizing and administering the Advisory Council for Italy. Lacking precedent, he set up a War Establishment and Table of Organization and drafted a staff study for supplies, transportation, accomodations for billets and offices, finances, personnel and every detail connected with this enterprise.

Lt. Col. Regis has previously ben awarded the Legion of Merit.

NAVY SUB-COMMISSION

The Italian Navy has arranged for pilotage and tugs in the port of Leghorn to be available to conduct Merchant Shipping from that port to La Spezia through heavily mined areas. Several Merchant ships have not made use of this service which is essential if mines are to be avoided. This situation has been brought to the attention of the Maritime Commission in order that Merchant Ship Masters may be more fully informed and casualties from inadvertently passing through mine fields avoided.

938

Commodore Ziroli.

The Admiralty has announced that the King has appointed Commodore Humbert W. Ziroli, U. S. Navy, Deputy Chief of the Navy Sub-Commission, to be a Commander of the Military Division of the Order of the British Empire for distinguished service to the cause during the War

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Officers of the Liaison Units at Territorial Commands are having a busy time now, due to the disbandment of various Allied units which previously administered them, but which now,

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Commodore Ziroli, as Commanding Officer of the Cruiser BROOKLYN, participated in the invasions of North Africa and Sicily. In September 1943 he was relieved by orders of Admiral Hewitt

1093
Declassified E.O. 12356 Section 3.3/NND No. 785020

and directed to report to Taranto as United States Naval Member of the MacFarlane Military Mission to the Italian Government. In this capacity he represented the United States Government at all meetings which were held between Allied Naval representatives and the Minister of Marine. Due to his fluent command of Italian he frequently acted as spokesman for the Allied interests.

When the MacFarlane Military Mission was replaced by the Allied Control Commission for Italy in November 1943 Commodore (then Captain) Ziroli was appointed United States Naval member of the Commission. This appointment was followed on 24 December 1943 by his promotion to the rank of Commodore. Shortly thereafter he was also assigned the duties of Senior United States Naval Liaison Officer in Italy. In this latter capacity he was responsible for the entire organization and administration of American Naval Liaison and Intelligence activities throughout the country as it gradually was liberated.

He was also the Senior Officer in control of all U. S. Naval Shore activities in Italy until Admiral Hewitt moved the Headquarters of the 8th Fleet to Naples in July 1944.

When Admiral Morgan was appointed Chief of the Navy Sub-Commission of the Allied Commission in the spring of 1944, Commodore Ziroli was ordered to serve as Deputy Chief, which post he still holds.

ODDS AND ENDS

Lt. Col. G. G. Hannaford, (B), (Legal), Lt. Col. R. E. H. Horn, (B), (Economic Section), and Capt. J. Stoppford, (B), (Economic Section) have returned from the United Kingdom during the past week.

Capt. Delos De John, (A), (Economic Section) has been reassigned to Rome Area Allied Command.

1094
Declassified E.O. 12356 Section 3.3/NND No. 785020

November 1, 1946 Vol. I, No. 42

ECONOMIC NOTES

— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolò da Tolentino, 78, Rome —

CONTENTS

1. Coal Prospects for November
2. Port Rehabilitation
3. UNRRA Imports
4. Commodity Price Decisions
5. Movements of Ships

COAL PROSPECTS FOR NOVEMBER

The end of the maritime strike in the United States has immediately released 150,000 tons of coal for Italy. Some 50,000 tons were already loaded in ships awaiting clearance; another 100,000 tons were at the ports, ready to be loaded. Further stocks of coal await transport from the mines to the ports. A few days' delay is inevitable before this coal from the mines reaches the ports; but Italy can expect the flow of coal supplies to return quickly to normal—provided the threatened coal strike in the United States can be prevented. Until that threat is dispelled [as seemed possible, according to information available in Rome up to Wednesday] it will be necessary to conserve coal stocks at present in this country.

Reduced Allocations Continue

For this reason, the reduced allocations to the various categories of consumer, announced within the past few days, remain in force. If the strike threat lifts, the position in Italy can rapidly return to normal: if, on the other hand, the strike occurs, further cuts will be necessary.

Italy's present normal consumption is based on a monthly allocation of 600,000 tons of coal from Sardinia and from foreign sources of supply. Some coal will arrive from the United States during November, but Italy is not

mately 152,600 tons, and are made up as follows: Ruhr 73,600 tons, Poland 20,000 tons, Yugoslavia 15,000 tons, Turkey 3,000 tons, South Africa 23,000 tons and Bahrein Islands 18,000 tons of petroleum coke.

New Sources of Supply

The UNRRA Italy Mission has been endeavouring for some time to increase its coal procurements from sources nearer to Italy. The Italian Government, too, is making every effort to re-establish trade relations with the country's normal suppliers, so that, once the UNRRA programme is fulfilled, uneconomical non-European sources of supply may gradually be eliminated.

By the terms of the agreement signed on 10 October, Poland will send 750,000 tons of coal to Italy in exchange for Italian agricultural and industrial products. Supplementary agreements have been made with Czechoslovakia and Austria concerning the transport of this coal through their territories. Monthly arrivals will be approximately 30,000 tons for the present, and will probably not exceed 60,000 tons at any time.

Belgian Possibilities

Following increased output in the Belgian mines, it is understood that there may also be a possibility of opening up this source, against

937

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Italy's present normal consumption is based on a monthly allocation of 600,000 tons of coal from Sardinia and from foreign sources of supply. Some coal will arrive from the United States during November, but Italy is not wholly dependent upon America for her coal imports. November allocations from sources other than the United States total approximately 152,600 tons, and are made up as follows: Ruhr 73,600 tons, Poland 20,000 tons, Yugoslavia 15,000 tons, Turkey 3,000 tons, South Africa 23,000 tons and Bahrein Islands 18,000 tons of petroleum coke.

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Belgian Possibilities

Following increased output in the Belgian mines, it is understood that there may also be a possibility of opening up this source, against the export of Italian finished products.

Italy's domestic production normally averages 100,000 tons monthly from the Sardinian,

937

1096 Declassified E.O. 12356 Section 3.3/NND No. 785020

and 8,000 to 10,000 tons from the Cogne (Val d'Aosta) mines. The "go-slow" strike, which for two weeks cut Sardinian production to half its normal figure, was settled early this week. Output of lignite, an auxiliary fuel, which can only be put to certain minor uses (in lime kilns, for instance) has now reached 170,000 tons a month—a figure which is roughly equivalent to 73,000 tons of coal.

Ministry's Coal Order

In view of the existing coal situation, the Ministry of Industry and Commerce and the UNRRA Italy Mission last week jointly agreed that a first re-adjustment of allocations would have to be based on a revised estimate of 770,000 tons for the period October-November as against the original allocation of 600,000 tons for October. The following cuts were accordingly ordered: a 20 per cent. reduction in allocations to cokeries and gas works; and a 27 per cent. reduction to non-preferential categories (including steel and engineering works; cement and brick works; textile, pharmaceutical, rayon, paper, foodstuffs, rubber and other industries; and winter heating for schools and public buildings in North Italy).

The Industrial Sub-Commissions which make the detailed allocations have been empowered to order further reductions in allocations of foreign coal for the non-preferential categories, where local conditions warrant. These further cuts are to be compensated by equivalent allocations of Sardinian coal.

Essential Services not Affected

The order does not apply to such essential services as hospitals, bakeries, power stations and secondary (privately-operated) railways. The State Railways have been instructed to use reserve stocks, and will receive no additional allocations. It is expected, however, that the stockpiles will allow railway services to be maintained until the end of November, without serious inconvenience—and it is certain that replacement stocks will be available thereafter.

By the end of October the UNRRA Italy 639,446 tons. They dropped to approximately 300,000 tons in October on account of the maritime strike. The monthly figure will increase as soon as the situation returns to normal.

Need for Quick Handling

When coal arrivals are resumed on a large scale there will be special need for the ports and railways to speed up the movement of coal inland to factories and other users, whose stocks will be low.

"With the termination of the maritime strike in the United States, we are hopeful that UNRRA coal shipments to Italy will be resumed on a scale which will make unnecessary prolongation of the emergency allocations beyond November," Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, stated a few days ago. "If all goes well, we shall have 150,000 tons of UNRRA coal from the United States by about the middle of the month. This coal must be unloaded quickly from the ships and sent inland promptly, to keep the wheels of Italian industry and transport moving."

PORT REHABILITATION

The distribution of 4,000 tons of cargo-handling gear and harbour equipment, imported under the UNRRA programme and delivered free of charge to the Italian Government, is now being planned by the Italian authorities and the UNRRA Italy Mission. These supplies formed part of Allied Army surplus material throughout Europe valued at over 19,000,000 dollars (£4,750,000 sterling), which UNRRA was asked to take up on behalf of its receiving countries.

The UNRRA Italy Mission was able to obtain for 750,000 dollars (£187,500 sterling) an allocation of supplies the actual value of which, at a conservative estimate based on lowest prices, exceeds 2,500,000 dollars (£625,000 sterling).

The material includes essential supplies for port reconstruction such as cranes, discharge pumps from 1.5 to 8-inch discharge capacity,

Declassified E.O. 12356 Section 3.3/NND No. 785020

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By the end of October the UNRRA Italy Mission had imported approximately 3,800,000 tons of coal into Italy. Shipments for August totalled 888,199 tons and for September [illegible] normal.

Need for Quick Handling

When coal arrivals are resumed on a large scale there will be special need for the ports and railways to speed up the movement of coal inland to factories and other users, whose stocks will be low.

"With the termination of the maritime strike in the United States, we are hopeful that UNRRA coal shipments to Italy will be resumed on a scale which will make unnecessary prolongation of the emergency allocations beyond November," Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, stated a few days ago. "If all goes well, we shall have 150,000 tons of UNRRA coal from the United States by about the middle of the month. This coal must be unloaded quickly from the ships and sent inland promptly, to keep the wheels of Italian industry and transport moving."

PORT REHABILITATION

The distribution of 4,000 tons of cargo-handling gear and harbour equipment, imported under the UNRRA programme and delivered free of charge to the Italian Government, is now being planned by the Italian authorities and the UNRRA Italy Mission. These supplies formed part of Allied Army surplus material throughout Europe valued at over 19,000,000 dollars (£4,750,000 sterling), which UNRRA was asked to take up on behalf of its receiving countries.

The UNRRA Italy Mission was able to obtain for 750,000 dollars (£187,500 sterling) an allocation of supplies the actual value of which, at a conservative estimate based on lowest prices, exceeds 2,500,000 dollars (£625,000 sterling).

The material includes essential supplies for port reconstruction such as cranes, discharge pumps from 1.5 to 8-inch discharge capacity, slings, grabs, hoists and wire rope; marine spare parts such as chains, anchors, fenders; and engine accessories. There are also heavy

Declassified E.O. 12356 Section 3.3/NND No. 785020

eight to 16-ton trailers and about 800 tons of metal scrap.

The Italian vessel s.s. *Capo Mele* unloaded a first shipment of 2,500 tons at Genoa, early in October. Other consignments reached Italy by rail in the course of the month, and further shipments are now awaited from the United Kingdom. As soon as distribution plans are completed, the items essential for port rehabilitation—which represent 90 per cent. of the entire allocation—will be handed over to port reconstruction concerns throughout Italy.

UNRRA IMPORTS

UNRRA supplies reaching Italian ports last week totalled 76,829 tons. This low figure, which is considerably below the average, reflects the four weeks' stoppage of shipments from the United States. Coal arrivals dropped to 59,555 tons from all sources, including Great Britain, Turkey, South Africa and Germany, as well as the United States.

The cargo of 11,700 tons of wheat included in this week's shipping table was unloaded in Sicily. Present wheat allocations to Italy are low because of world scarcity, and the consequent necessity for each receiving country to live on its supplies for the first months after the harvest.

Supplies for industrial rehabilitation include:— 2,993 tons of woollen rags and 1,741 tons of raw wool, all part of UNRRA's woollen manufacturing programme for Italy; 406 tons of fire-clay for the building industry; 270 tons of natural rubber; 128 tons of lead billets; and 18 tons of tyres and tubes.

Supplies for agricultural rehabilitation include 77 tons of clover seed, 51 tons of fodder beet seed and 444 tons of insecticide materials. Among the smaller items are three tons of chocolate donated by the "Save the Children Fund." Medical supplies amount to 14 tons.

COMMODITY PRICE DECISIONS

In accordance with Article III (d) (iii) of the Supplementary Agreement of 19 January, 1946, between the Government of Italy and UNRRA, prices for the following commodities were agreed by the Joint Price Committee at its meetings on 21 September and 5 October:—

Sealing compound:
235 lire per kilogram, ex Siderurgica Italiana S. A.

Zinc phosphide:
290 lire per kilogram ex Consorzio Agrario warehouse, including packing in paper bags.

Manganese ore:
12 lire per kilogram, ex consignee's warehouse.

Fire refined copper:
87 lire per kilogram, ex consignee's warehouse.

Electrolytic copper:
92 lire per kilogram, ex consignee's warehouse.

Chrome ore - metallurgical grade:
10 lire per kilogram, ex consignee's warehouse.

Chrome ore - chemical grade:
8 lire per kilogram, ex consignee's warehouse.

Kaolin
12 lire per kilogram, ex C.I.M.P. warehouse (subject to commodity meeting written specifications).

Plasticlay:
9.25 lire per kilogram, ex C.I.M.P. warehouse (subject to commodity meeting written specifications).

Declassified E.O. 12356 Section 3.3/NND No. 765020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(OCTOBER 20 - 27 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Samaritan	Genoa	21 October	UNRRA	General	1,988
	Savona	23 »	»	»	1,250
Henry Lomb	Palermo	21 »	»	Cereals	8,601
	Syracuse	26 »	»	»	3,100
Empire Colne	Genoa	22 »	»	General	686
Sfinge	Piombino	» »	It. Programme	Minerals	7,300
Fanny Brunner (1)	Brindisi	» »	»	»	2,340
Pertusola	Palermo	» »	»	»	2,240
Pra	Bagnoli	23 »	»	»	820
Apollo (2)	Crotone	» »	»	»	1,900
Philomel (3)	Leghorn	24 »	UNRRA/Commercial	General	640
Meristella	La Spezia	» »	It. Programme	Minerals	7,080
Sameshire	Leghorn	25 »	UNRRA	General	1,000
Inal	Venice	27 »	—	Cereals	2,000

NOTE: (1) Also discharged at Ancona: (2) also discharged at Catania: (3) also discharged at Genoa

LATEST COAL SHIPMENTS

(OCTOBER 21 - 27 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Matthew J. O'Brien	Savona	21 October	United States	Swiss	8,398
Achuri	Genoa	» »	United Kingdom	UNRRA	3,484
Ais Giorgis	Venice	» »	Turkey	»	1,022
Dante	Bagnoli	22 »	Germany	»	7,319
Nelson Aldrich	Genoa	23 »	United States	»	8,241
Joaquin Miller	Naples	» »	» »	»	8,512
Ambrose E. Burnside	Venice	25 »	» »	»	8,004
Cervino	Savona	26 »	Germany	»	7,214

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Cervino	Savona	26 »	Germany	»	7,214
Cherca	Venice	27 »	»	»	7,200
Fort Beausejour	Bari	» »	South Africa	»	8,559

Declassified E.O. 12356 Section 3.3/NND No. 765020

October 26, 1946 Vol. III, No. 28

ALLIED COMMISSION

WEEKLY BULLETIN

PUBLISHED BY PUBLIC RELATIONS BRANCH, HEADQUARTERS, ALLIED COMMISSION, APO 794

1102 Declassified E.O. 12356 Section 3.3/NND No. 785020

POLITICAL

Assumption of the office of Foreign Minister by Pietro Nenni on 19 October occupied the center of the political stage in Italy this past week. The appointment itself surprised no one inasmuch as it had been agreed to at the time of the formation of the cabinet last July. At that time however it was decided that Prime Minister De Gasperi should continue as Foreign Minister until completion of the negotiations incident to the formation of the peace treaty. De Gasperi will continue to hold the post of Minister of the Interior as well as President of the Council of Ministers.

The first Socialist Foreign Minister in Italy's history, Nenni took oath before the President of the Republic and immediately afterward proceeded to Palazzo Chigi where he received the press. He confined his remarks pretty much to the treaty making no mention of any impending changes in the personnel makeup of the Ministry. "The last word on the destiny of people can never be said", he declared. "The word revision is not included in the treaty but it is to be detected in things stronger than the treaty: it is in our confidence and in our will. I am confident in the future of our country, because right and reason are on our side. We shall work tenaciously mindful of the reality of things rather than the virtuosity of words, and having as a guide, the concept that Italian interest is not in opposition to the European and world interest. Therefore I say to the Italians: be courageous, tenacious and patient. Europe cannot be constructed either without us or against us. Life can-not be reorganized in the Mediterranean without our collaboration. We shall give it without thought of sacrifices and the price for it will be our right to work and our nations

particularly in regard to its personnel makeup and it was generally anticipated that sweeping changes would be made. *Giornale della Sera* took a rather gloomy view of things. The paper evinced no particular brief for the diplomats who had been connected with the "disaster" at the Luxemburg, but shuddered at wholesale changes in the Ministry lest they constitute transforming the diplomatic service into the representative of a political trend instead of representing the whole country. The paper feared impairment of the efficiency of the service through the appointment of unqualified personnel and pointed out that Bevin in England had declared that he intended to make full use of career men. *Popolo* confined itself to a eulogy of De Gasperi's handling of foreign affairs for two years stating that although the Prime Minister was an anti-Marxist his policies had always been directed to cultivating friendly relations with the Marxist states. *Messaggero* called upon the new Minister to exercise a virile and agressive manner instead of using the time-worn formulas. *Avanti* hailed the appointment as a new guarantee that "at all costs, war will not be allowed to approach the Italian people", because "it is only in the mind of a Socialist that such an intention can be fairly well fixed since the Socialists know full well that the first and real victims of every war are always the working classes". *Momento* didn't see much hope in the fact that a Socialist was in charge of Italy's foreign policy declaring that England too had a socialist government but that hadn't affected the terms of the peace treaty.

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Ambassador Changes.

While nothing official had been issued as to changes in the Italian embassies throughout the world newspaper consensus firmly predicted that the re-shuffling of Ambassadors would be whole-

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Nenni's assumption of office was greeted with much speculation in the Rome press. The Foreign Ministry has been under considerable fire particularly in regard to its personnel makeup and it was generally anticipated that sweeping changes would be made. *Giornale della Sera* took a rather gloomy view of things. The paper evinced no particular brief for the diplomats who had been connected with the "disaster" at the Luxemburg, but shuddered at wholesale changes in the Ministry lest they constitute transforming the diplomatic service into the representative of a political trend instead of representing the whole country. The paper feared impairment of the efficiency of the service through the appointment of unqualified personnel and pointed out that Bevin in England had declared that he intended to make full use of career men. *Popolo* confined itself to a eulogy of De Gasperi's handling of foreign affairs for two years stating that although the Prime Minister was an anti-Marxist his policies had always been directed to cultivating friendly relations with the Marxist states. *Messaggero* called upon the new Minister to exercise a virile and agressive manner instead of using the time-worn formulas. *Avanti* hailed the appointment as a new guarantee that "at all costs, war will not be allowed to approach the Italian people", because "it is only in the mind of a Socialist that such an intention can be fairly well fixed since the Socialists know full well that the first and real victims of every war are always the working classes". *Momento* didn't see much hope in the fact that a Socialist was in charge of Italy's foreign policy declaring that England too had a socialist government but that hadn't affected the terms of the peace treaty.

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While nothing official had been issued as to changes in the Italian embassies throughout the world newspaper consensus firmly predicted that the re-shuffling of Ambassadors would be wholesale. According to *Tempo* Egidio Reale will be Italian Ambassador to Switzerland. Ambassador to Poland Eugenio Reale will return to Italy

Declassified E.O. 12356 Section 3.3/NND No. 765020

and become High Commissioner for hygiene. Ambassador to Russia Quaroni will be transferred to Paris. Manlio Brosio will possibly be appointed as Ambassador to Russia. Carandini, now Ambassador to England, will relinquish his office after the signature of the peace treaty.

Whether or not Italy should sign the peace treaty was the subject of much discussion in the press during the week and also in a meeting of the Parliamentary Group of the Christian Democrat Party. This group met on 22 October and during the meeting De Gasperi reviewed all steps that had been taken at Paris. Regarding negotiations with Yugoslavia the Prime Minister declared according to *Messaggero*: "Yugoslavia always stood against any approach and now it is possible to understand better, the reason for this attitude. Owing to the occupation and the alliance with Russia, Yugoslavia felt sure about her conquest and therefore considered the treaty with Italy not as the start of a new and constructive era but as a punitive treaty. This uncompromising attitude stopped the way to any attempt made by us and today still appears to be the great difficulty in the way of peace". The Prime Minister concluded by examing the consequence of both accepting and rejecting the treaty and by inviting the Christian Democrat Deputies to examine the question with the keenest sense of responsibility.

The following day, the group completed its session and passed two orders of the day. With the first, the group expressed to De Gasperi its gratitude and solidarity. With the second the group after protesting against the materialistic concept of international relations which allegedly inspired the draft treaty (*a*) reaffirmed its solidarity with the population of Venezia Giulia and other territories detached from the mother country, (*b*) expressed the opinion that at the present stage of things neither the parliamentary group nor the party could assume the responsibility for proposing to accept the peace conditions as they stood at present. (*c*) appealed to the four Foreign Ministers and to the United Nations to reconsider the position of Italy which "is ready to cooperate with other people on the ground of freedom, democracy and peace".

Press Comment.

Other press comment on the treaty: *Momento* the support Italy gave the Allies during the war against Germany. The paper thought, however, that the Left would advocate signing. *Indipendente* held that because of the present provisional character of all State institutions in Italy only a referendum could take a definite and authoritative decision on the issue of the treaty. *Tempo* gave thanks to Secretary of State Byrnes for having said that, "as no country could have won the war by itself, no one has the right to dictate the peace all by itself". *Buonsenso* while bowing to De Gasperi for his "noble speech" at the Paris Conference in defence of his country's interests declared that the issue was irrevocably lost during May and June when De Gasperi and Saragat were absent from Paris.

In the realm of party relations, things were quite normal, that is, if not all was serene at least crisis was not at hand. The pact of unity of action between the Communists and the Socialists was advanced when Pertini of the Socialist Party and Longo of the Communist Party reached an agreement on the final text of the pact. The text will be submitted before long to a joint meeting of the Directorates of the two parties for ratification. During a speech delivered to the workers of the Fiat Mirafiori factory in Turin on 20 October, Saragat, according to *Avanti*, affirmed the necessity of the pact and pledged Socialism to full respect of the union pact in the interest of the working class.

De Gasperi received Nenni and Lombardo of the Socialist Party on 17 October. According to *Tempo* he asked them to clarify the attitude of their party toward the Government. *Tempo* further reported that when interviewed by one of its staff Lombardo declared: "It is acknowledged that the parties are still influenced by a political concept which I deem unfit for the present times, which (concept) is that of constant intolerance in regard to the Government unless the Government thoroughly applies all the political principles of their parties".

De Gasperi reiterated pretty much the same sentiments in an interview given *Giornale d'Italia* on 20 October. Among reasons for the alleged instability of the Government he declared was the fact of participation in it of parties which were born in a "climate of opposition". Furthermore he declared that some of these parties had already theoretically put the party first and then the State and therefore there was no wonder

Declassified E.O. 12356 Section 3.3/NND No. 765020

office after the signature of the peace treaty.

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Press Comment.

Other press comment on the treaty: *Momento* declared that the Parties of the right (Liberals, Monarchists and Qualunquisti) seem to oppose the signature of the peace treaty on the ground that it is a "Diktat" which does not recognize a referendum could take a definite and [illegible] tative decision on the issue of the treaty. *Tempo* gave thanks to Secretary of State Byrnes for having said that, "as no country could have won the war by itself, no one has the right to dictate the peace all by itself". *Buonsenso* while bowing to De Gasperi for his "noble speech" at the Paris Conference in defence of his country's interests declared that the issue was irrevocably lost during May and June when De Gasperi and Saragat were absent from Paris.

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Declassified E.O. 12356 Section 3.3/NND No. 765020

THE CONSTITUTION

(Herewith is presented the second and concluding article of a series dealing with the work to date of the Constituent Commission of the Constituent Assembly. Last week's article dealt with the First Sub Commission).

Second Sub-Commission.

As it deals with the practical setup of the State, rather than with statement of principles the work of the Second Sub-Commission is by far the most important and is slowed down by clashes among the various political tendencies. However this Sub-Commission was the first to set to work, and on 2 August approved an order of the day presented by Piccioni acknowledging the necessity of giving an autonous character to the various regions of the Italian country. *Voce Repubblicana* hailed this resolution as a Republican victory, while the Communist *Unità* stressed that it implied the rebuttal of the federalistic thesis (stubbornly supported by Finocchiaro Aprile, Sicilian Independentist) and of an excessively centralized administration. The Sub-Commission entrusted ten of its members with the task of drafting a plan for the « regional » organization of the State. Some deputies have reportedly suggested suppressing the "province", while Togliatti recently reasserted that the setting up of the Region should not serve as a loophole for enacting federalism, which would make an umber of small states out of the various Italian regions.

According to press reports, the articles of this plan approved so far state that the national territory will be divided into regions and communes. No decision was taken with regard to the question of "provinces". The region's autonomy, compatible with the unity and indivisibility of the State, was also approved. Sicily, Sardinia, the Aosta Valley and the Alto Adige will have special Statutes with greater autonomy. The "Region" will have a direct legislative power which shall however respect the principles of the Constitution, the fundamental laws of the State and the national interests. The "Region" has the power to integrate the general rules contained in the laws of the State, and to propose particular bills to the National Parliament. The Region will have a Regional Assembly and Regional Coun-

sit customs on inter-regional goods traffic. The draft bills passed by the Regional Assembly will have to be forwarded to the Central Government, and they will become valid laws after one month from this notification, unless the Government has rejected them. In this case they can be examined again by the Regional Assembly and become valid laws if the latter passes them by a number of votes reaching the absolute majority of its members. But the Government can still refer these bills to the Constitutional Court and ask for their partial or total annulment. (This provision indicated that the Constitution will also establish a Constitutional Court, which never existed in Italy previously).

The Government of the State may dissolve the Regional Assembly when the latter adopts an attitude contrary to the unity of the nation, and in the case of grave and repeated infringements of the law. A chamber of financial compensation consisting of a representative per region will be set up in order to affirm the solidarity among the Regions. The Central Government, is represented in the regions by the President of the Regional Deputation. In the region capital, the central Government is represented by a Commissioner who carries out those political and administrative functions of the State which have not been delegated to the Region.

Whether to keep the Senate or not is the other big problem tackled by the Sub-Commission. A decree issued by the De Gasperi Government had abolished the Senate (whose members under provision of the old constitution were appointed by the King). Communists and Socialists wanted to keep the House of deputies only, as they feared that a second House replacing the Senate might unduly impair the relation of political forces as resulting from elections held by universal suffrage. After lengthy discussions, the Sub-Commission finally passed two orders of the day stating that there should be two Houses (House of Deputies, and the old Senate which will possibly be given a new name) having equal powers and functions. Communists, Socialists and Actionists voted against this. Election to the Second House (old Senate) will be carried out by regions, so as to represent local interests. The Christian-Democrats also have demanded that one third of the members of the Second House be technicians.

In the matter of qualifications for membership in the second house the Sub-Commission resolved

935

Declassified E.O. 12356 Section 3.3/NND No. 785020

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In the matter of qualifications for membership in the second house the Sub-Commission resolved that members must be at least 35 years old, and should belong to the following categories: (1) members of Directive Councils of syndical organiza-

935

Declassified E.O. 12356 Section 3.3/NND No. 785020

tions; (2) members of Management Councils or Boards of Directors of concerns having more than 100 employees; (3) members of the Directive Councils of Chambers of Commerce or Industry; (4) Ministers, Undersecretaries, Deputies of the House of Deputies and of the Constituent Assembly, Presidents of the Republic and non-epulrated Senators; (5) Town Mayors and communal Councillors; (6) members of Regional Assemblies and Provincial Councils; (7) members of Central Administration Superior Consultative Council; (8) members of Directive Councils of professional organizations; (9) University professors; (10) members of the Lincei National Academy and other scientific and literary societies recognized by the law; (11) magistrates and State officials down to the fourth grade; (12) members of the Commitees of National Liberation and commanders of great partisan units. Election to the Second House will be by electors, namely the communes (which will elect two thirds of the members) and the regions (which will elect the other third). The Second House will function on the basis of a six year term and half of its members will be replaced every three years. *Unita* charged that this was another resolution against democracy. The Sub-Commission has also approved the principle of self-convocation of the two Houses, but has made no decision yet on the questions of whether the Head of the State should be elected by the people or by the Parliament, and whether he should have the power to dissolve the two Houses or not. Another question still unsolved is that of the number of "Senators" (This term, is used as it is not yet known what their new name will be) to be elected by each Region). *Unità* came out recently with an article opposing the U. S. system, and proposing proportional representation also for the Second Chamber.

The Sub-Commission has agreed on the following points: (1) The Head of the State will not be also Head of the Government. (2) The right to suffrage is universal, direct, equal and secret. Military personnel have a right to vote. (3) One Deputy out of 100 thousand electors will be elected to the House of Deputies (which according to a *Messaggero* estimate will number 450-460 members). (4) The Deputies will take an oath of fidelity to the democratic Republic. (5) Parliamentary immunity should be as ample as possible. (6) The House of Deputies, following a resolution taken by at least one third of its authority. (7) Uncontrolled issuing of decrees (decretazione d'urgenza) by the Government is forbidden.

Third Sub-Commission.

Articles approved so far by the Third Sub-Commission are as follows.

(1) Every citizen has the duty and right to work according to his own ability and choice. The Republic allows to all Italian citizens the right to work, and provides the means for the enjoyment of it. (2) From work results the right to adequate means to live in case of sickness, accident, loss of ability to work, and involuntary unemployment. Every citizen who owing to age, physical and mental conditions cannot work, has a right to obtain adequate means for living. (3) The worker has a right to a wage proportional to the quality and quantity of his work, and adequate to his personal and family requirements. The female-worker has a right to a wage equal to that of the male-worker for equal work done. (4) The Republic acknowledges that the protection of the mother and child is of social interest. Work conditions must allow the complete fulfilment of motherhood. (5) Education is a social good. It is the duty of the State to organize instruction of every grade so that all qualified may enjoy it. Primary school is free and obligatory for all. (6) The Republic guarantees to the family the economic conditions required for its defense and development. (7) Should it be impossible for the family to educate the children, it is the duty of the State to take care of their education. This education must be carried out in respect for the freedom of the citizen. (8) The Republic guarantees to the citizens the free practice of their professional activity, providing the law is respected. Employment in public administrations is open to all citizens through competition. In the case of university teachers, the competitions may be open also to foreigners. (9) Economic goods may be the object of private, co-operative and collective ownership. Private property is acknowledged and guaranteed by the State. The right to hereditary transmission of property is guaranteed. (10) The Republic, by means of laws, may enforce obligations and limits to land property, and will prevent the existence and formation of large private-land property. (11) Economic enterprises may be private, co-operative and collective. Private en-

Declassified E.O. 12356 Section 3.3/NND No. 765020

House of Deputies and of the Constituent Assembly, Presidents of the Republic and non-epulrated Senators; (5) Town Mayors and communal Councillors; (6) members of Regional Assemblies and Provincial Councils; (7) members of Central Administration Superior Consultative Council; (8) members of Directive Councils of professional organizations; (9) University professors; (10) members of the Lincei National Academy and other scientific and literary societies recognized by the law; (11) magistrates and State officials down to the fourth grade; (12) members of the Commitees of National Liberation and commanders of great partisan units. Election to the Second House will be by electors, namely the communes (which will elect two thirds of the members) and the regions (which will elect the other third). The Second House will function on the basis of a six year term and half of its members will be replaced every three years. *Unita* charged that this was another resolution against democracy. The Sub-Commission has also approved the principle of self-convocation of the two Houses, but has made no decision yet on the questions of whether the Head of the State should be elected by the people or by the Parliament, and whether he should have the power to dissolve the two Houses or not. Another question still unsolved is that of the number of "Senators" (This term is used as it is not yet known what their new name will be) to be elected by each Region). *Unità* came out recently with an article opposing the U. S. system, and proposing proportional representation also for the Second Chamber.

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Declassified E.O. 12356 Section 3.3/NND No. 765020

sets the limits to this right. (13) The Republic will provide for the protection of the worker by means of special rules, and will favor any international regulation pursuing this goal. (14) The workers' syndicates and managers' association are given juridical personality. All collective contracts will apply to all those belonging to the organizations affected by the contracts.

Di Vittorio (Communist, one of the Secretaries General of the CGIL) has proposed the recognition of the political general strike, which should be an arm in the hands of the masses for defending democracy against a comeback of reaction. But the Christian-Democrat Secretary of the CGIL, Rapelli, and other Deputies of the same party opposed this proposal arguing that syndicates should remain non-political organizations.

INTERNATIONAL LAW

The definition and function of international law, particularly that pertaining to the occupation of defeated countries was explained by Colonel John K. Weber, Chief Legal Advisor, Allied Commission, in the course of a series of two lectures delivered this week to the officers and men of the 7106th Regiment. The lectures were given as part of the training program which the regiment is undergoing weekly.

Tracing the origin and development of the international laws of war Colonel Weber pointed out first, that all humanity is governed by four basic types of law namely, divine law, natural law, moral law and man-made law. International law is of the latter type. Developing his theme he demonstrated by illustration that man-made law deals with legal personalities and legal things and it is quite possible for an act to be clothed with a legal personality in one state and not in another. He stressed this point by showing that the legal personality of a soldier is radically different from his legal personality as a civilian citizen. In the former capacity he has many different rights, privileges and responsibilities.

International law, the speaker declared, is divided into the laws of peace and the laws of war. Colonel Weber emphasized that the laws of war were drawn up and agreed to by nations in time of peace. They therefore come into effect in time of war. Consequently a popular notion that an occupied country is governed by the men will of a commander is erroneous. The

Referring to the Nuremburg trials, Colonel Weber declared that they were based upon a principle that acts committed against the sum intent of all laws were violations even though there might not be specific laws prohibiting such acts. He cited illustrative legal cases from his own state to point out that court decisions based upon this principle were a common practice.

ECONOMIC FRONT

Piemonte, this week joined the circle of regions which have exceeded their wheat amassing goals. The same region also registered the largest increase over the figures of last week. The figures in tabulated form are published as provided by UNRRA and the Economic Section Allied Commission. The program has now resulted in the amassing of 82.3 per cent. of the goal. According to Federazione Italiana dei Consorzi Agrari investigations regarding estimated production and retentious are being carried out and revision will be made upon completion.

On 10 October, the S. S. LUCY STONE arrived at Naples carrying 9,300 tons of nitrate of soda in bulk procured by UNRRA in Chile. This represents the first shipment of 36,000 tons of the fertilizer which is to be used as a contribution to the restoration of Italian agriculture. The program will supplement Italy's own domestic production of nitrogenous fertilizers.

According to UNRRA's *Economic Notes* first priority in the distribution of this nitrate of soda will be given to the production of bread cereal crops.

The fertilizer program is considered extremely important since without it much difficulty will be experienced in bringing about the return of the country's soil fertility to pre-war standards with its resultant maximum domestic production of food. The UNRRA budget for the rehabilitation of Italian agriculture calls for an estimated allocation of 8,000,000 dollars (2,000,000 pounds sterling) for the procurement of fertilizers.

Responsibility for taking delivery of the fertilizer at the port and forwarding it to the various provinces rests with the Federa ione dei Consorzi Agrari. A distribution plan has been worked out which is based on pre-war consumption of nitrogen fertilizers and sodium nitrate in particular. The plan is further modified to take into account

934

Declassified E.O. 12356 Section 3.3/NND No. 785020

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934

Declassified E.O. 12356 Section 3.3/NND No. 785020

COMPARTMENTS	Estimated Production as of 10/9/46	Amassing Goal as of 10/9/46	Collections Reported by Fed. Cons. Agrari as of 11/10/46	Percent of Goal Collected	Collections Reported by Fed. Cons. Agrari as of 18/10/46	Percent of Goal Collected
Piemonte	395,550	82,403	81,884	99.4	85,701	104.0
Liguria	19,450	383	241	62.9	241	62.9
Lombardia	559,550	326,662	228,235	69.9	231,774	70.9
Venezia Tridentina	15,700	3,431	148	4.3	157	4.6
Veneto	691,750	403,984	302,232	74.8	304,776	75.4
Emilia	1,064,920	574,858	510,772	88.9	513,319	89.3
Northern Italy	2,746,920	1,391,721	1,123,512	80.7	1,135,968	81.6
Toscana	464,200	182,535	193,611	106.1	194,466	106.5
Marche	463,200	252,200	251,573	99.8	251,924	99.9
Umbria	212,000	103,000	105,352	102.3	106,381	103.3
Lazio	277,500	102,361	85,658	83.7	86,069	84.1
Central Italy	1,416,900	640,096	636,194	99.4	638,840	99.8
Abruzzi e Molise	327,500	88,183	70,502	79.9	70,831	80.3
Campania	270,320	45,675	28,119	61.6	28,582	62.6
Puglie	297,350	100,545	77,609	77.2	77,989	77.6
Lucania	156,000	40,836	43,288	106.0	43,489	106.5
Calabria	137,900	29,422	13,140	44.7	13,212	44.9
Southern Italy	1,189,070	304,661	232,658	76.4	234,103	76.8
Sicilia	590,180	198,504	74,699	37.6	75,833	38.2
Sardegna	146,270	42,670	36,942	86.6	37,502	87.9
Insular Italy	736,450	241,174	111,641	46.3	113,335	47.0
GRAND TOTAL	6,089,340	2,577,652	2,104,005	81.6	2,122,246	82.3

Of the initial shipment present distribution plans call for 1,370 tons for the Sicilian provinces, 1,920 (including 500 tons in the province of Naples) for the Southern region and 5,960 tons (including 200 tons in the province of Rome) for the Central region.

AIR FORCES SUB-COMMISSION

Several staff visits were undertaken during the past week. Wing Commander H. Thompson M. B. E., Chief Technical Officer inspected the High Speed Launch Base in Ischia and Wing Commander C. M. M. Grece D. F. C., Air I visited units in the Naples area and Northern Staging Posts. During the latter trip Air I investi-

Decoration.

Lieutenant General John C. H. Lee, Commander, American Forces, MTOUSA, on 22 October presented the American Legion of Merit, Degree of Commander, to General of Air Squadron Mario Ajmone-Cat, Commanding General Italian Air Force in a ceremony held during a reception at the Excelsior Hotel in Rome. The presentation was witnessed by a large number of high ranking officers and diplomatic officials.

General Ajmone-Cat was awarded the decoration for meritorious service in connection with Allied Military activities from December 1944 to May 1945. His citation which was signed by the President of the United States read as follows:

Declassified E.O. 12356 Section 3.3/NND No. 785720

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General Ajmone-Cat was awarded the decoration for meritorious service in connection with Allied Military activities from December 1944 to May 1945. His citation which was signed by the President of the United States read as follows:

"General of Air Squadron Mario Ajmone-Cat, as Commanding General, Italian Air Force, rendered meritorious service from December 1944 to May 1945 in connection with Allied Military activities in the Mediterranean Theater. General Ajmone-Cat directed his units in the per-

Declassified E.O. 12356 Section 3.3/NND No. 785020

formance of many important tasks and contributed materially to the success of Allied Air Forces ".

In a brief address following presentation of the award, General Ajmone-Cat expressed his appreciation for the award and then paid high tribute to his subordinates to whom he gave full credit for the receipt of the decoration.

" It is therefore my duty ", he said, " to state that whatever success I may have achieved and for which I am amply rewarded today, is due to the superb support of my subordinates who, having been involved in the tremendous crisis which would have wrecked the highest moral and material values of lesser men, nevertheless found in themselves sufficient strength and energy to faithfully carry on their service with fidelity and military devotion to duty sacrifice and honor ".

LAND FORCES SUB-COMMISSION

Several interesting and some well reasoned articles on the Italian Army are now appearing in the Italian Press. Hostile and ill-informed criticism is less frequent; it is still, however, difficult for anyone to foresee clearly the future of the Italian Army until the conditions of the Peace Treaty are more certain and the policy of the Italian Government more definite.

The chief criticism seems to be that the small Italian Army is still carrying too much in the way of overhead; in this connection it should be remembered that too big changes involving the lives of a large number of persons must be carefully geared, even after policy has been decided, if the machine is to continue work smoothly. Many changes in overhead organization, reduction of surplus officers and civilian employees, rates of pay, and conditions of service are already under consideration, and some adjustments have already been made.

Equipment for the Italian Army, including material for its repair and replacemet, will, it is hoped, be considerably augmented when the appropriate items in the ex-British Ordnance Depots in the neighborhood of Salerno are released by disposal authorities. The GOC, MMIA visted these depots on 18 October and saw the vast quantities of War Material of all sorts (some 80,000 tons) which will shortly be at the disposal of the Italian Government. At present, officers of the Ministry of War are busy sorting those a long time and much personnel, transportation and storage accomodation to complete the transfer.

" S. S. CHITRAL " arrive at Naples on 24 October with nearly 3,000 Italian P. W. from Australia. Less than 14,000 men now await repatriation from Australia.

NAVY SUB-COMMISSION

On 3 October 1946 Pantelleria was revisited by representatives of the Committee on demilitarization of the Island, including Colonel Norman E. Fiske, Chairman, Lieut. H. A. V. Hall, RNVR, Navy Sub-Commission and Captain D. H. Greenhalgh, from AFHQ. The process of demilitarizing the Island has been carried out satisfactorily under the command of Captain S. Amato, Italian Navy, in spite of the very limited means at his disposal for this work. A total of 1500 tons of warlike stores, composed of guns and ammunition, have been removed to date.

The party returned to Rome the same day accompanied by Captain Amato. Captain Amato has been successful in making arrangements for obtaining suitable ships to remove the material collected from the Island, and for better equipment with which to complete his work.

A quantity of captured enemy naval stores located in the Bologna area have been turned over to the Ministry of Marine for the maintenance of the Italian Navy.

ODDS AND ENDS

1st Lt. Everett A. Carleton, Jr., (A), (Displaced Persons Sub-Commission) has left the Allied Commission to return to the United States for discharge from the armed forces.

Maj. G. H. F. Rothey, (B), (Commerce Branch) is returning to the United Kingdom for release. Maj N. M. Harrisson, (B), (Archives Branch) and J/Comd. M. T. Bourne, (B), (Displaced Persons Sub-Commission) have left for the United Kingdom on leave. Maj. B. Woodcock, (B), (Displaced Persons Sub-Commission) has recently returned from the United Kingdom from leave.

* * *

One American officer and four enlisted men have recently been awarded the Army Commendation Ribbon. They are: Lt. Col. Peyton P.

993

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Declassified E.O. 12356 Section 3.3/NND No. 785020

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ECONOMIC NOTES

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CONTENTS

1. Special Rations for Industrial Centres
2. Fertilizer for Italian Crops
3. Farm Machinery Distribution
4. Movements of Ships

SPECIAL RATIONS FOR INDUSTRIAL CENTRES

Two special allocations of food to certain groups of wage earners and unemployed will relieve the strain on at least 6,000,000 Italian food budgets during the next few months.

The increase in the country's already considerable unemployment (the figure is now estimated at over 2,000,000), the recent upward trend in prices of unrationed commodities, and the hardship inevitable at this time of the year, are responsible for an emergency situation with which the Italian authorities and the UNRRA Italy Mission are jointly endeavouring to cope.

The special allocations will be made available through the usual channels: workers' cooperatives, communal and industrial messes, feeding centres and kindred agencies.

Distribution has already begun on an allocation of 6,000 tons of "generi da minestra" —mainly pasta—which have been earmarked for towns of 100,000 inhabitants and also for smaller centres where the percentage of industrial workers is high in relation to the total population, or war destruction has been particularly serious.

Workers Eligible

The supplementary issue takes the form of an extra ration—not exceeding one kilogram per head—for which only industrial workers, employees of public services, the unemployed and certain members of their families are eligible. The decision as to the number of persons to benefit from the scheme has been left to the discretion of the Italian authorities, and the quantity of food placed at the disposal of each SEPRAL (Provincial Food Office). These offices—which are better informed as to conditions obtaining locally—are empowered to allot extra rations in towns where the need is known to be acute. Should the maximum extra ration—one kilogram per person—be allowed on the special distribution in all cases, 6,000,000 people will benefit. A lower allowance will, of course, mean a larger number of recipients.

Allocations for 41 Towns

Allocations will affect 41 large towns, Milan receiving 900 tons, Rome 800, Naples 700, Turin 500, Genoa 350, Florence 260 and Palermo 190 tons.

Plans are well ahead for another special distribution to the same areas and population groups. The Government has requested that approximatively 2,000 tons of UNRRA-imported miscellaneous tinned meat and fish products, be allocated to this scheme—which would involve a special ration of about 300 grams per head. The products consist of a variety of items such as ham and canned sweet potatoes, chopped ham and eggs, chicken haddie, tinned mackerel and tinned ham.

While the use of these tinned products for the special purpose designated by the Government has been agreed to in principle by the UNRRA Italy Mission, the Mission considers that the time has now come when fullest use

932

Declassified E.O. 12356 Section 3.3/NND No. 785020

ECONOMIC NOTES

— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolò da Tolentino, 78, Rome —

CONTENTS

1. Special Rations for Industrial Centres
2. Fertilizer for Italian Crops
3. Farm Machinery Distribution
4. Movements of Ships

SPECIAL RATIONS FOR INDUSTRIAL CENTRES

Two special allocations of food to certain groups of wage earners and unemployed will relieve the strain on at least 6,000,000 Italian food budgets during the next few months.

The increase in the country's already considerable unemployment (the figure is now estimated at over 2,000,000), the recent upward trend in prices of unrationed commodities, and the hardship inevitable at this time of the year, are responsible for an emergency situation with which the Italian authorities and the UNRRA Italy Mission are jointly endeavouring to cope.

The special allocations will be made available through the usual channels: workers' cooperatives, communal and industrial messes, feeding centres and kindred agencies.

Distribution has already begun on an allocation of 6,000 tons of "generi da minestra" —mainly pasta—which have been earmarked for towns of 100,000 inhabitants and also for smaller centres where the percentage of industrial workers is high in relation to the total population, or war destruction has been particularly serious.

Workers Eligible

The supplementary issue takes the form of an extra ration—not exceeding one kilogram per head—for which only industrial workers, employees of public services, the unemployed and certain members of their families are eligible.

The High Commissioner for Food is responsible for specific allocations to the large towns, but a certain portion of the 6,000 tons has been placed at the disposal of each SEPRAL (Provincial Food Office). These offices—which are better informed as to conditions obtaining locally—are empowered to allot extra rations in towns where the need is known to be acute. Should the maximum extra ration—one kilogram per person—be allowed on the special distribution in all cases, 6,000,000 people will benefit. A lower allowance will, of course, mean a larger number of recipients.

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While the use of these tinned products for the special purpose designated by the Government has been agreed to in principle by the UNRRA Italy Mission, the Mission considers that the time has now come when fullest use should be made of the supplies of dehydrated soup available. So long as the quest for food continues at its present level, and Italy's foreign asset resources are taxed to their utmost,

832

Declassified E.O. 12356 Section 3.3/NND No. 765020

no existing sources of nutrition should be overlooked.

Dehydrated soup has for various reasons proved unpopular with certain sections of the Italian population, particularly in the South. Two factors have been instrumental in arousing a certain amount of prejudice: lack of knowledge as to the proper use and preparation of the commodity, and its frequent appearance in temporary soup kitchens when the Allied Military Government had to provide for the emergency feeding of areas soon after they had been occupied by Allied troops during the campaign in Italy.

The nutritional properties of dehydrated soup are considerable on account of its high protein content. In fact, it is now being used in the manufacture of pasta for the Welfare Assistance Programme in certain areas, precisely on this account. Doctors and nurses throughout the North Italian regions concur in recommending as extensive a use as possible of the commodity, for which there is, moreover, an increasing demand on the part of communal messes which have recently been opened in Northern and Central Italy.

Properly prepared according to a number of recipes, and judiciously varied with other items on the weekly menu so as to avoid a surfeit, it has proved acceptable in institutions where it has formed part of the feeding programme.

Those responsible for national welfare cannot afford to disregard any sustenance factor during the coming season, when fresh vegetable produce is comparatively scarce; and every effort must be made to fill the gap between the normal ration and the caloric value essential for subsistence.

FERTILIZER FOR ITALIAN CROPS

A further development in the restoration of Italian agriculture is the distribution of the first 9,300 tons of the 36,000 tons of nitrate of soda fertilizer to be imported under the UNRRA programme of relief and rehabilitation for Italy—to supplement Italy's own domestic production of nitrogenous fertilizers. First priority in the distribution of this nitrate procure. Six years of enforced neglect and the damage inflicted on the land have made the soil problem an urgent issue. The UNRRA budget for Italian agricultural rehabilitation envisages an estimated allocation of 8,000,000 dollars (£2,000,000 sterling) for the procurement of urgently needed fertilizers. The 36,000 tons of sodium nitrate form part of this programme. They are needed for "top-dressing," in January and February, of cereal crops sown during the autumn.

First Shipment

The first shipment of sodium nitrate has now arrived in Italy. The s.s. *Lucy Stone* carrying 9,300 tons of nitrate of soda in bulk, procured by UNRRA in Chile, reached Naples on 10 October. The fertilizer is being packed in 100 kilogram hemp sacks and despatched to 24 provinces in Central, Southern and insular Italy, these regions being closest to Naples, the port of entry.

Present distribution plans provide that Sicilian provinces will receive 1,370 tons, the Southern region 1,920 tons (including 500 tons in the province of Naples) and the Central region 5,960 tons (including 200 tons in the province of Rome), making a total of 9,250 tons.

The distribution plan, prepared by the Ministry of Agriculture and Forests in agreement with UNRRA, is based on pre-war consumption of nitrogen fertilizers, and sodium nitrate in particular. This consumption pattern has been adjusted to take into consideration priority of crops, relative effective demand, transport limitations and the time of arrival in relation to season and locality.

The Federazione dei Consorzi Agrari is responsible for taking delivery of this fertilizer at port and forwarding it to the provinces. The Provincial Consorzi Agrari then release it to farmers against the coupons (buoni) which are issued to them in accordance with current regulations on the distribution of nitrogenous fertilizers—which provide that all nitrogenous fertilizers are to be sold only to *bona fide* farmers for use on bread cereal crops.

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Maximum domestic production of food and the return of the country's soil fertility to pre-war standards both largely depend on the amount of fertilizer which Italy is able to

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Price Decision

The price for this sodium nitrate is now being fixed and will be notified by the time that distribution to provinces and communes is completed, so that sales can begin.

Declassified E.O. 12356 Section 3.3/NND No. 785020

FARM MACHINERY DISTRIBUTION

The rehabilitation of Italian agriculture by giving small farmers in war-devastated and impoverished areas an opportunity to use the latest types of machinery has been under discussion for some time by the Italian authorities and the UNRRA Italy Mission.

War-time looting or slaughter of draught-animals, especially oxen, has in many cases been as serious a blow as the destruction of farmsteads and crop-lands, and has increased the difficulties of the small farmer, who even in normal circumstances cannot afford the capital outlay required for the purchase of power-driven machinery. Renting is also expensive, as the present inadequate supply of farm machinery has been an incentive to speculators.

The UNRRA programme for agricultural rehabilitation includes 450 tractors, a certain number of ploughs and some auxiliary equipment. Of the tractors, 250 have crawler track, and 200 are rubber or steel-wheel types. Weighing up to 15 tons, the tractors are mainly intended for ploughing for grain production, where possible, though the heavier types are also suitable for deeper work on fruit plantations and vineyards. They can also be turned to a number of subsidiary uses such as threshing. The tests which have been held so far with wheeled tractors have proved them to be satisfactory where soil and topographical conditions are suitable. The various models imported will be subjected to further extensive trials in all parts of the country and on all types of land, in order to assess their efficiency in relation to operational costs.

Tractor Pools

The Division of Agriculture of the UNRRA Italy Mission has made a careful study of all considerations involved, to assist the Italian Government in establishing a distribution policy which will make these supplies accessible to the largest possible number of small farmers. The subject is somewhat controversial, but the conclusions reached, as a result of this enquiry, point to a tractor pool system as the most appropriate under the present circum-

Mr. Keeny states that there are two alternatives for the distribution of UNRRA-imported tractors. "The first," he says, "is to sell them direct to individual farmers or groups of farmers, as has been done with the other agricultural machinery imported to date. The second is to use these tractors in pools which will be established throughout the country, with the primary purpose of providing cheaper ploughing to assist farmers in war-affected areas to increase food production.

"The Mission considers that the second alternative is the one that should be initiated, being completely in line with the UNRRA resolutions of making available to the most needy sections of the population UNRRA services and UNRRA supplies."

System of Operation

Mr. Keeny outlines the conditions which the Mission recommends as a basis for the establishment of these tractor pools. Some 25 pools, he suggests, should be set up in selected areas throughout the country, and make available the 450 tractors, a certain number of UNRRA-imported ploughs, and some auxiliary operating equipment which might be transferred from stocks now held by ARAR (Azienda Rilievi Alienazioni Ricuperi).

The operation of the pools should be entrusted to such legally constituted organizations or private concerns as may be selected by the Ministry of Agriculture on recommendations from Compartments, and in agreement with the UNRRA Italy Mission. All initial equipment should be provided to the operating agencies at a price low enough to make the ploughing rates attractive to the farmer.

The cost of 450 tractors is approximately 400,000,000 lire. This—in Mr. Keeny's view—should be reduced as much as necessary to make the rates attractive. The suggested reduction would result in smaller amounts accruing to the Lire Fund, and later being available for further relief and rehabilitation expenditure. Mr. Keeny points out, however, that if necessary a part of the cost could be recovered for the Lire Fund from the income derived from the working of the pools.

After stressing the urgency of the problem, since the tractors are now arriving and the

931

Declassified E.O. 12356 Section 3.3/NND No. 785020

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The Mission's recommendations are embodied in a letter, dated 9 October, to the Italian Prime Minister from the Chief of the UNRRA Italy Mission, Mr. S. M. Keeny.

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After stressing the urgency of the problem, since the tractors are now arriving and the ploughing season has started, Mr. Keeny concludes as follows: "I feel that at all costs a situation must be avoided in which these tractors are not put into use rapidly in an effort to improve Italy's food position in 1947."

931

Declassified E.O. 12356 Section 3.3/NND No. 785020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(OCTOBER 14 - 19 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Helene Kulukundi	Genoa	14 October	Swiss	Cereals	9,187
Philomel	»	» »	UNRRA	General	411
Reuben Tipton	»	» »	»	»	5,500
Baxtergate	Naples	16 »	»	»	1,493
Apollo	Catania	» »	It. Programme	Minerals	5,420
Motia	Venice	» »	UNRRA	General	1,206
Govert Flinck	Genoa	» »	»	Minerals	1,500
Highflyer	»	17 »	»	General	153
Ada Corthon	»	» »	Commercial	»	4,430
Seaside (1)	»	18 »	UNRRA	Cereals	2,430
Stureborg	»	» »	—	General	2,975
Hoegh Silverbeam	Naples	» »	UNRRA	»	3,536
Empire Fawley	Genoa	19 »	Commercial	Wool	2,000
Peter V. Daniel	Venice	» »	UNRRA	General	3,258

NOTE: (1) Also discharged at Civitavecchia.

LATEST COAL SHIPMENTS

(OCTOBER 14 - 20 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Snar (1)	Savona	13 October	—	Swiss	4,990
Alexander White	»	14 »	United States	»	8,890
John Merrick	»	» »	» »	UNRRA	8,919
Empire Gazelle	»	» »	United Kingdom	»	6,176
Fred E. Joyce	Genoa	» »	United States	»	8,515
Karmen	Venice	» »	Yugoslavia	Commercial	3,550
John Blair	»	» »	United States	U. S. Army	8,392
Empire Puma	Savona	15 »	Germany	UNRRA	10,640
Charles D. Walcott	»	» »	United States	U. S. Army	8,400
William Pepperell	Genoa	» »	» »	UNRRA	8,356
Daltonhall	Venice	» »	South Africa	»	9,650
Dunav	»	» »	Yugoslavia	Commercial	6,220
John Ireland	Catania	16 »	United States	UNRRA	8,738
Opole	Palermo	» »	» »	»	8,755
Temple Inn	Venice	17 »	South Africa	»	8,200
Nicholas D. LaBadie	Civitavecchia	18 »	United States	»	8,436
Arthur Riggs	Savona	19 »	» »	»	9,603

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Arthur Riggs	Savona	19 »	» »	»	9,603
Dallington Court	Venice	» »	South Africa	Brit. Army	3,844
Gaeta	Ancona	20 »	United States	UNRRA	7,387

NOTE: (1) Advice received too late for inclusion in last week's shipping list.

Declassified E.O. 12356 Section 3.3/NND No. 785020

October 19, 1946 Vol. III, No. 27

ALLIED COMMISSION

WEEKLY BULLETIN

PUBLISHED BY PUBLIC RELATIONS BRANCH, HEADQUARTERS, ALLIED COMMISSION, APO 794

POLITICAL

" Italy's Drama Concluded At Paris ".

Headlines similar to the above were the " order of the day " in the Italian press throughout the week. The end of the Paris Peace Conference and the approval of the Italian treaty was a signal which started a great deal of editorial sniping. *Italia Libera* stated that clauses had been approved with a dreadful swiftness which made the responsibilities of Fascism fall on the entire Italian people, and added that the spirit of the preamble was distorted by the substance of the treaty. The *Giornale d'Italia* reported from Paris that the Italian delegation at Paris succeeded, at least, in persuading nearly all the representatives at the Conference that the treaty imposed on Italy is severe and unjust and added that the direct contacts made with the representatives of the different countries brought Italy back to the international political world from which she has been excluded since 1940. Articles appeared in both *Messaggero* and *Unità* stressing the fact that the Conference's approval of the Italian treaty is actually merely a " recommendation " and that many problems are still unsolved. *Unità* added that the unanimity which was not reached at Paris should be achieved by the Four Foreign Ministers at New York.

Prime Minister De Gasperi speaking to a section of the Christian-Democrat Parliamentary Group stated, on 16 October, that it would be untimely and dangerous to take up now the problem of whether the peace treaty should be accepted or not, both because Italy has been granted a further appeal to the Four Foreign Ministers concerning the Trieste Statute and because it is impossible to foresee what other changes the treaty will undergo and what the reactions of the great Nations will be during the period of ratification.

At a meeting of the Constituent Assembly Treaty Commission, Prime Minister De Gasperi gave a report on the Italo-Austrian agreement, because in some Allied countries strong trends favoring the assignment of Alto-Adige to Austria were already developing. The majority of the Commission approved of such agreement but it was resolved to refer the matter to the Constituent Assembly.

The ending of the Paris Peace Conference was the cue: Prime Minister De Gasperi in the Council of Ministers on 12 October announced that he would transfer the Portfolio of Foreign Affairs to Minister Nenni. As reported in *Messaggero*, such a move will cause a reshuffling of Under-Secretaries. At the Foreign Ministry, Communist Giolitti will most likely be replaced by Brusasca, a Christian-Democrat, and then take over the Navy Undersecretariat, which is still vacant.

Nenni.

" The French Line ", stated Nenni in a speech delivered at Canzo on 14 October, " is a bad compromise between the Anglo-American and the Russian thesis, a compromise which gives birth to a free territory having little vitality and leaving unsolved, between Italy and Yugoslavia, questions such as the detachment of cities preponderately Italian ". Nenni then referred to the Trieste Statute and to the failure of Italo-Yugoslav collaboration. " We cannot but deplore this ", he said, " and hope that it will not be the same in the future ". As for the colonies, he said that deluded love which turned into rancor, generally was a source of bad counsel. Great Britain, France and civilization had nothing to gain by ousting Italy from what has been termed the " fourth shore ". Above all, the Arabs had nothing to gain from this. They knew Italy's two faces; that of Graziani, which had faded forever, and that of the Italian workers who exceeded all other workers for their intelligence, initiative, courage, and laboriousness. " Therefore ", Nenni said, " some territorial clauses of the treaty are unjust to the point that we shall consider them still open until a just solution is found. This

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At a meeting of the Constituent Assembly Treaty Commission, Prime Minister De Gasperi gave a report on the Italo-Austrian agreement. Answering questions on the retention of full Italian sovereignty over Alto-Adige, De Gasperi explained that it was urgent to agree with Austria, because in some Allied countries strong trends favoring the assignment of Alto-Adige to Austria were already developing. The majority of the Commission approved of such agreement but it was resolved to refer the matter to the Constituent Assembly.

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Nenni continued: " The treaty is this ! What should we do now? First of all, refer the whole

930

Declassified E.O. 12356 Section 3.3/NND No. 765020

problem to the Four Foreign Ministers. Secondly, do as we did for 25 years against Fascism, even when it seemed as though we were butting our heads against granite or steel; never give up our rights—and include our territorial integrity and our political and economical independence among the permanent and absolute goals of our foreign and general policy. No hysterics, but no renunciations either. From now on Europe will find an Italy desiring to collaborate in working for the common progress; to live peacefully with her neighbors; to base her actions on the principle of international solidarity; to bet, not on the Anglo-Americans against the Soviet Union or the Soviet Union against the Anglo-Americans, but rather to bet on the union of all democratic forces of Europe and the world; to renounce the myth of empire and military power but at the same time to maintain valid her justified claims, being dedicated to making them triumph by appealing to right and reason". Nenni then stressed that Italy's collapse was due to the foreign policy carried out by the Italian bourgeoisie since the time of the triple alliance and disclosed that the two main problems he was going to tackle as Foreign Minister were that of the commercial agreements with big and small nations which were in a position to send raw materials to Italy and to import Italian products, and that of overcoming the present difficulties hindering emigration.

The Directorate of the Socialist party met on 15 and 16 October to examine questions pertaining to Nenni's assumption of the office of Foreign Minister and the "Corsi case". Nenni was given authority to assume the new office. He was opposed by members of the "Socialist Initiative" trend who stated that it might imply full acceptance of De Gasperi's policy and who thought inadvisable a further Socialist participation in the Government under present circumstances. Members of the "Social Critics" trend stressed that Nenni could not carry out the policy outlined in his Canzo speech. All agreed, however, that Italy should take a stand of absolute independence both from the Anglo-American and the Russian block, and through a wise policy should try to open more outlets for its surplus manpower.

Corsi.

Undersecretary of the Interior Corsi had been charged, especially by the communists, with "inactivity [illegible]". This charge followed the cows. This was done to protect the livestock and to assure milk for children, sick and aged. *Messaggero* reports that Nenni proposed closing the case by means of a declaration stating that when intervening in labor agitations, authorities should not go astray of the law but at the same time should consider the welfare of the working classes. Corsi would not accept this declaration and insisted that he be given a vote of confidence. The Directorate, however, made no decision on this case.

Reconstruction Loan.

At the meeting of the Council of Ministers on 11 October the floating of a "National Reconstruction Loan" was approved. Bonds issued for this loan will cost 97.50 lire and will be redeemable in thirty years. Interest will be set at 3.5 per cent. Both the capital and the interest will be exempt from all direct taxation, including the impending "extraordinary personal property tax, which was approved by the Council to be enforced after the "Loan". Italian banks, as soon as the news of the Loan was released, immediately subscribed for 100 milliard lire.

In an article printed in *Tempo*, Epicarmo Corbino, former Minister of the Treasury, commented on the Reconstruction Loan and stated that he disapproved the policy of conducting both the Reconstruction Loan and the extraordinary personal property tax at or near the same time. Aswering Corbino, *Popolo* the next day criticized Corbino for being hostile to the present Government, without being able to set forth a practical plan of national reconstruction.

Minister Bertone, in a radio speech on 16 October painted a picture of the financial and economic abyss in which Italy finds itself. He stated that money in circulation exceeded 400 milliard lire and that public debt, most of it short term, amounted to over 1,000 milliard lire. He then outlined the characteristics and advantages of the new loan, confirmed that the extraordinary tax on personal property and the change of currency would be enforced, warning that to invest hoarded currency on purchases of whatever goods is available could be a dangerous game, because the Government has undertaken to defend the lire and would defend it against all attacks and speculations. The Minister then mentioned some reassuring symptoms of financial revival, such as Italy's admission into the Bretton Woods plan which would keep lire steady on

Declassified E.O. 12356 Section 3.3/NND No. 765020

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Corsi.

Undersecretary of the Interior Corsi had been charged, especially by the communists, with "instigating strike breaking". This charge followed a circular he sent to the prefects of Northern Italy asking them, during the recent farmers strike, to protect the workers who volunteered to milk when intervening in labor agitations, authorities should not go astray of the law but at the same time should consider the welfare of the working classes. Corsi would not accept this declaration and insisted that he be given a vote of confidence. The Directorate, however, made no decision on this case.

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Declassified E.O. 12356 Section 3.3/NND No. 765020

financial help; the crediting of 50 million dollars by the United States and 4 million dollars by Canada as partial reimbursement to Italy for the lire furnished American and Canadian troops and spent by these troops in Italy. The Minister concluded by stating that the higher the subscription to the loan the quicker Italy will recover economically and financially.

Viminale.

Messaggero reported that at a press conference held on 10 October, De Gasperi stated that the events which took place on 9 October at the Viminale Palace were the result of a false interpretation of certain measures (in this connection, a severe investigation was conducted) and that the order dismissing the workers would be revoked. Press comment on the Viminale events in general blames the Government and defends the rights of the workers. *Messaggero* reported on 10 October that primary investigation carried out both by the Ministry of the Interior and the Police excluded the responsibility of the workers for the incidents that occurred. *Tempo* stated on the same day that since the Government is based on the three mass parties it is the Government's responsibility to see that work is provided. *Unità* demanded that those responsible for announcing the workers were to be dismissed should be punished and this paper blames the building firms and Fascist provocators.

The Council of Ministers on 11 October resolved to order immediately three investigations; the first an investigation as to the efficiency of the Police, the second one on the policies of the Genio Civile, and the last to be on the actions and intentions of the contractors. As an immediate measure the Questore (Chief of Police) was posted to another station.

An agreement of the utmost importance to the country's economic life was reached between the C. G. I. L. and the Confindustria. The agreement as reported by *Messaggero* contains the following terms: a wage truce for at least six months; 35 per cent. increase in the minimum wage paid to industrial workers; 50 per cent. increase in the allotment paid for dependent children; increase of holidays from six to twelve days; a Christmas gratuity; and pay for the thirteenth month. All of these benefits are to be granted to clerical staff after necessary amendments. This agreement was hailed with enthusiasm by all the Italian

THE CONSTITUTION

The press has recently been popping with charges and countercharges in connection with the New Constitution. First of all, a few words about the body which is drafting the constitution. The Constituent Assembly set up two Commissions, one for the International Treaties and the other for the Constitution. The latter is composed of 75 Deputies headed by Meuccio Ruini, former leader of the small Labor-Democrat party and at present a non-party man. It has formed three Sub-Commissions. One of these (known as the First Sub-Commission, and headed by Umberto Tupini, Christian-Democrat) deals with the rights and duties of citizens; another (Second Sub-Commission, headed by Terracini, Communist) deals with the constitutional organization of the State; while the last one (Third Sub-Commission, headed by Ghidini Gustavo, Socialist) deals with economic and social rights and duties. The work done individually by these Sub-Commissions will have to be discussed again by the general session of 75 and then submitted to another debate in the Constituent Assembly. But this might not be the end of it, because (as *Tempo* observes) the common opinion is that if an almost complete unanimity of the Chamber is not reached, the draft will also undergo the test of a popular referendum.

First Sub-Commission.

Press reports indicate that in this Sub-Commission troubles started almost immediately owing to differences concerning the proposed preamble of the constitution. On 2 August *Popolo* published a leading article by Umberto Tupini affirming that a preamble should not be left out of the constitution, and that it should have a note of high religious inspiration. *Risorgimento Liberale* disclosed later that Christian-Democrat Dossetti, supported by almost all the non-Marxist elements of the Sub-Commission, had proposed an order of the day stating that the declaration of the rights of man (preamble) should reject both a fully individualistic and a totalitarian vision of life. It should acknowledge instead the priority of the human person, and the necessary social character of all persons. The Communist members however flatly refused to discuss such a proposal. The paper also commented that the Communists did not want to accept a preliminary declaration putting human rights and the rights

929

Declassified E.O. 12356 Section 3.3/NND No. 785020

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1129
Declassified E.O. 12356 Section 3.3/NND No. 785020

state: (1) The Constitution acknowledges and guarantees the sacred and inalienable rights of man in order to ensure the autonomy, liberty and dignity of the human person; (2) Regardless of difference of age, sex, race, nationality, class, political opinion and religion, men are equal before the law and have the right to an equal social treatment. It is therefore the task of society and State to eliminate the economic and social obstacles which, by limiting de facto the relations and equalities of individuals, prevent the attainment of the full dignity, and physical, economic, cultural and spiritual development of the human person. (3) Individual liberty is inviolable. Nobody can be deprived of it except by action of the judiciary authorities and only in those cases and in ways foreseen by law. Police detention or arrest is admitted only in the case of well-founded suspicion of crime and in any case cannot last more than 48 hours. Any physical or moral violence to the detriment of the detained or arrested person is forbidden. During the state of arrest humane treatment is guaranteed to all. (4) The innocence of the defendant is to be presumed until final condemnation. Nobody can be submitted to judges who are not previously constituted according to law. For no title and under no denomination may extraordinary jurisdictions be created. (5) Nobody can be submitted to trial nor punished unless by virtue of a law which went into effect prior to the offence committed. Penal responsibility is personal. Death penalty is not admitted except for war military penal code. (6) Domicile is inviolable. Nobody can enter it if not by order of the judiciary authority, except in the case of evident crime. (7) The citizen can circulate and fix his residence or domicile in any part of the territory of the Republic. In no case can the law limit this freedom on political grounds. The right to emigrate is guaranteed once the provisions set by law are respected. (8) Freedom and secrecy of communication and correspondence, under any form, is guaranteed. The law can enforce limitations and censorship during wartime. Divulging news known by this means is forbidden. (9) Nobody can be deprived of his own name. The concession of nobility titles is forbidden. The predicates (that is *of such and such place*, equal to the German *Von*) of existing titles are valid only as a part of the name. is guaranteed to everybody. Sequestration can be ordered only by the judiciary authority. In cases of utmost urgency, sequestration of periodical publications can be carried out by the judiciary police without previous authorization. Laws set up controls on the sources of news and on financial funds in order to guarantee public faith. (12) Public officials are responsible, under provision of penal and civil law, for their acts infringing the rights stated by this constitution. The State and public agencies are co-responsible with the officials for damages due. (13) The juridical position of the foreigner is ruled by law according to international rules and treaties. The foreigner to whom the rights and freedoms guaranteed by this constitution are denied in his country, has the right of asylum in the territory of the State. (14) The freedoms guaranteed by the present constitution must be exploited to improve and complete human personality in agreement with the requirements of social solidarity, and such as to favor the development of the democratic regime through an always more active and concrete participation of all in the management of public goods. Freedom is the foundation of responsibility. (15) The right to syndical organization is guaranteed. The right to strike is guaranteed to all workers. Laws will set the procedure to be followed for calling the strike, for previous attempts of conciliation and for the maintenance of services absolutely necessary to collective life. The right to rest is guaranteed.

Unità headlined that by this article (15) the First Sub-Commission approved, despite Communist and Socialist opposition, some limitations to the freedom of strike, while *Buonsenso* reported that the qualunquista member of the Sub-Commission abstained from voting because, apart from other considerations, the manager's right to close down had not been acknowledged too.

This article will be concluded in next week's "Digest".

ECONOMIC FRONT

About 70,000 tons of essential raw materials, vital to the national reconstruction effort, are soon to be distributed by UNRRA. As reported by UNRRA's *Economic Notes*, these raw materials will be distributed to manufacturers by the Government through the Central Industrial

Declassified E.O. 12356 Section 3.3/NND No. 765020

difference of age, sex, race, nationality, class, political opinion and religion, men are equal before the law and have the right to an equal social treatment. It is therefore the task of society and State to eliminate the economic and social obstacles which, by limiting de facto the relations and equalities of individuals, prevent the attainment of the full dignity, and physical, economic, cultural and spiritual development of the human person. (3) Individual liberty is inviolable. Nobody can be deprived of it except by action of the judiciary authorities and only in those cases and in ways foreseen by law. Police detention or arrest is admitted only in the case of well-founded suspicion of crime and in any case cannot last more than 48 hours. Any physical or moral violence to the detriment of the detained or arrested person is forbidden. During the state of arrest humane treatment is guaranteed to all. (4) The innocence of the defendant is to be presumed until final condemnation. Nobody can be submitted to judges who are not previously constituted according to law. For no title and under no denomination may extraordinary jurisdictions be created. (5) Nobody can be submitted to trial nor punished unless by virtue of a law which went into effect prior to the offence committed. Penal responsibility is personal. Death penalty is not admitted except for war military penal code. (6) Domicile is inviolable. Nobody can enter it if not by order of the judiciary authority, except in the case of evident crime. (7) The citizen can circulate and fix his residence or domicile in any part of the territory of the Republic. In no case can the law limit this freedom on political grounds. The right to emigrate is guaranteed once the provisions set by law are respected. (8) Freedom and secrecy of communication and correspondence, under any form, is guaranteed. The law can enforce limitations and censorship during wartime. Divulging news known by this means is forbidden. (9) Nobody can be deprived of his own name. The concession of nobility titles is forbidden. The predicates (that is *of such and such place*, equal to the German *Von*) of existing titles are valid only as a part of the name. (10) Nobody can be deprived of his citizenship on political grounds. The loss of citizenship for other motives is ruled by law. (11) The right to express freely one's own thought and opinion by means of the press or any other means ciary police without previous authorization. Laws set up controls on the sources of news and on financial funds in order to guarantee public faith. (12) Public officials are responsible, under provision of penal and civil law, for their acts infringing the rights stated by this constitution. The State and public agencies are co-responsible with the officials for damages due. (13) The juridical position of the foreigner is ruled by law according to international rules and treaties. The foreigner to whom the rights and freedoms guaranteed by this constitution are denied in his country, has the right of asylum in the territory of the State. (14) The freedoms guaranteed by the present constitution must be exploited to improve and complete human personality in agreement with the requirements of social solidarity, and such as to favor the development of the democratic regime through an always more active and concrete participation of all in the management of public goods. Freedom is the foundation of responsibility. (15) The right to syndical organization is guaranteed. The right to strike is guaranteed to all workers. Laws will set the procedure to be followed for calling the strike, for previous attempts of conciliation and for the maintenance of services absolutely necessary to collective life. The right to rest is guaranteed.

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This article will be concluded in next week's "Digest".

ECONOMIC FRONT

About 70,000 tons of essential raw materials, vital to the national reconstruction effort, are soon to be distributed by UNRRA. As reported by UNRRA's *Economic Notes*, these raw materials will be distributed to manufacturers by the Government through the Central Industrial Commission of the Ministry of Industry and Commerce. All of these raw materials, imported under the UNRRA program for Italian industrial rehabilitation will be delivered to the Italian Government free of charge.

Declassified E.O. 12356 Section 3.3/NND No. 785020

Arrivals to date include the following items: Fire-Clay (12,000 tons), Manganese Ore (10,000 tons), Steel (9,600 tons), Pig Iron (9,300 tons), Colophony (4,900 tons), Rubber (4,500 tons), Coal tar solvents (4,300 tons), Petroleum Coke (4,300 tons), Copper (3,900 tons), Denatured alcohol and acetone (1,280 tons), Nickel (1,000 tons), Chromite (2,000 tons), Pig Tin (400 tons), and Shellac (62 tons).

The Italian press is reporting signs of a brighter commercial picture in the near future. During the week the following indications were published by *Il Globo*. In Milan negotiations are being conducted for the constitution of a commercial company to handle commercial exchanges between Italy and Rumania. A Hungarian commercial delegation, headed by the Hungarian Minister for Commerce, arrived in Rome to start negotiations for the stipulation of an Italo-Hungarian commercial agreement. Dr. José Leon, special Envoy of the Peruvian Government, arrived in Milan to study trade relations between Peru and Italy. Milan industrialists have received a long list of articles which this South American Republic desires to import from Italy.

Wheat Amassing.

According to figures supplied by UNNRA and the Economics Section, Allied Commission, eighty one and six tenths percent of Italy's wheat amassing goal has been collected. The figures are published in tabular form. There is practically no change in the relative standings of the various regions. Toscana still leads all regions with 106.1 per cent. of its goal collected, closely followed by Lucania with 106.0 per cent. and Umbria with 102.3 per cent. Piemonte continues to show the largest increase as it jumped from 94 per cent. to 99.4 per cent. Revision of figures on estimated production and retentions will be made upon completion of investigations now in progress.

COMPARTMENTS	Estimated Production as of 10/9/46	Amassing Goal as of 10/9/46	Collections Reported by Fed. Cons. Agrari as of 4/10/46	Percent of Goal Collected	Collections Reported by Fed. Cons. Agrari as of 11/10/46	Percent of Goal Collected
Piemonte	395,550	82,403	77,500	94.0	81,884	99.4
Liguria	19,450	383	223	58.2	241	62.9
Lombardia	559,550	326,662	225,046	68.9	228,235	69.9
Venezia Tridentina	15,700	3,431	143	4.2	148	4.3
Veneto	691,750	403,984	300,651	74.4	302,232	74.8
Emilia	1,064,920	574,858	508,568	88.5	510,772	88.9
Northern Italy	2,746,920	1,391,721	1,112,131	79.9	1,123,512	80.7
Toscana	464,200	182,535	192,913	105.7	193,611	106.1
Marche	463,200	252,200	251,241	99.6	251,573	99.8
Umbria	212,000	103,000	105,010	102.0	105,352	102.3
Lazio	277,500	102,361	84,871	82.9	85,658	83.7
Central Italy	1,416,900	640,096	634,035	99.1	636,194	99.4
Abruzzi e Molise	327,500	88,183	70,017	79.4	70,502	79.9
Campania	270,320	45,675	27,963	61.2	28,119	61.6
Puglie	297,350	100,545	77,044	76.6	77,609	77.2
Lucania	156,000	40,836	43,127	105.6	43,288	106.0
Calabria	137,900	29,422	13,100	44.5	13,140	44.7
Southern Italy	1,189,070	304,661	231,251	75.9	232,658	76.4
Sicilia	590,180	198,504	73,487	37.0	74,690	37.6
Sardegna	146,270	42,670	36,381	85.3	36,942	86.6

928

Declassified E.O. 12356 Section 3.3/NND No. 765020

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COMPARTMENTS	Estimated Production as of 10/9/46	Amassing Goal as of 10/9/46	Collections Reported by Fed. Cons. Agrari as of 4/10/46	Percent of Goal Collected	Collections Reported by Fed. Cons. Agrari as of 11/10/46	Percent of Goal Collected
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Veneto	691,750	403,984	300,651	74.4	302,232	74.8
Emilia	1,064,920	574,858	508,568	88.5	510,772	88.9
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Umbria	212,000	103,000	105,010	102.0	105,352	102.3
Lazio	277,500	102,361	84,871	82.9	85,658	83.7
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Abruzzi e Molise	327,500	88,183	70,017	79.4	70,502	79.9
Campania	270,320	45,675	27,963	61.2	28,119	61.6
Puglie	297,350	100,545	77,044	76.6	77,609	77.2
Lucania	156,000	40,836	43,127	105.6	43,288	106.0
Calabria	137,900	29,422	13,100	44.5	13,140	44.7
Southern Italy	1,189,070	304,661	231,251	75.9	232,658	76.4
Sicilia	590,180	198,504	73,487	37.0	74,699	37.6
Sardegna	146,270	42,670	36,381	85.3	36,942	86.6
Insular Italy	736,450	241,174	109,868	45.6	111,641	46.3
GRAND TOTAL	6,089,340	2,577,652	2,087,285	81.0	2,104,005	81.6

928

Declassified E.O. 12356 Section 3.3/NND No. 785020

AIR FORCES SUB-COMMISSION

The liaison detachment of A. F. S. C. in the Naples Area was deactivated on 15 October, since, with the closing of the R. A. F. Stores Unit in this area, there is no longer a need for such a detachment. The only R. A. F. unit remaining in the Naples Area cooperating with the Italian Air Force is a small marine detachment, stationed on the Island of Ischia, which is responsible for overhauling high speed launches. F Lt L. G. Watkins, who was in command of the Liaison Detachment, has returned to Headquarters.

Wing Commander H. Thompson, M. B. E., Chief Technical Officer, and Flight Lieutenant F. Reid, Air Staff II, visited Sardinia on 14 October and inspected the Italian Air Force Station at Elmas, which is gradually being returned to the I. A. F. During this inspection particular attention was paid to the Air Sea Rescue Seaplane Detachment and the new Aircraft Safety Center. The above Officers also witnessed, on their return trip, a practice air drop for the Parachute Training Display at Guidonia. Two of the interesting features of this display were the dropping of water supplies with paper parachutes and several high speed drops using a "Lisi" type spilling apparatus.

During the week the A. F. S. C. arranged for an Italian Commission on Displaced Persons to fly to Tripoli. This Commission is to organize an exchange of Italians between Tripolitania and Italy.

The following changes in staff were announced this week. Flying Officers G. D. Reid and A. C. Merrien returned to United Kingdom, the former on release and the latter on mid-tour leave. F Lt J. W. Turner has been posted to Milan as O. C., A. F. S. C. Detachment, and Flight Officer M. K. Goff has been recalled from Milan to become Adjutant at Headquarters in Rome.

LAND FORCES SUB-COMMISSION

General Goulburn DSO spent a day (14 October) with the staff and recruits of the Centro Addestramento Reclute (CAR) belonging to Rome Territorial Command at Orvieto, where some 3,200 recruits, called up in September are undergoing their primary training. Staff and recruits showed with keenness that in spite of their difficult lives they are determined to make a good rale and keenness of the Folgore Division is very noticeable both on parade and off duty in the streets of Florence. This command has organized two excellent institutes (*Casa del soldato*) for the entertainment of troops off duty where soldiers can be ensured of a good time at reasonable cost.

The question of pay for Italian Army Officers, NCO's and men (particularly of the permanent cadre) has always been a difficult one and reports on hand this week again emphasize the difficulty of living on the meagre rate allowance in view of the present cost of living.

In the absence of any possibility of an increase in pay the War Ministry is endeavoring to assist personnel to reduce their expenses by providing cheap and collective means of purchase of necessaries and by improving living conditions and accommodation.

The relationship between Carabinieri and public generally still continues to be excellent. It would appear from various reports that public confidence is increasing.

This was in evidence on October 9th, on the occasion of the unfortunate riots which occurred at the Viminale. Again from reports it would appear that up to the time of the arrival of the Carabinieri, the situation was somewhat chaotic, but on their arrival law and order commenced to prevail, and the tension was considerably eased. This was no doubt due to their excellent discipline: in fact they were able to apply police methods calmly, forcibly, and with a certain amount of good humor.

At the beginning of the riot only 40 Carabinieri under a Lieutenant were on duty. Later they were reinforced by 518 Carabinieri under the command of Lt. Col. Pecorelli, these numbers including 60 mounted Carabinieri and 2 Staghound Armoured cars.

Since that time mounted Carabinieri patrols have been continually on duty.

During the riot 13 Carabinieri, including the Commanding Officer, Lt. Col. Pecorelli, and one Brigadiere, were injured.

The provision of motor transport for the Carabinieri from Allied surplus stocks is continuing, 13 heavy load carriers were issued between 6-13 October.

The Italian Prisoners of War Section reports satisfactory progress in the repatriation of Italian Prisoners of War. There remain now about

Declassified E.O. 12356 Section 3.3/NND No. 765020

with the closing of the R. A. F. Stores Unit in this area, there is no longer a need for such a detachment. The only R. A. F. unit remaining in the Naples Area cooperating with the Italian Air Force is a small marine detachment, stationed on the Island of Ischia, which is responsible for overhauling high speed launches. F Lt L. G. Watkins, who was in command of the Liaison Detachment, has returned to Headquarters.

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Declassified E.O. 12356 Section 3.3/NND No. 785020

The recruits of the September call up have completed their one month's primary training in C. A. R.'s, and those determined for arms other than Infantry have been sent to the various specialist schools or units for their two months specialist training. The Infantry receive a further two months training in C. A. R.'s. All recruits are due to be posted to their units after three months training.

NAVY SUB-COMMISSION

It has been the practice in the past for the Italian Navy Officer-in-Charge, Leghorn, to authorize the issue of small quantities of British coal, which was supplied to the Italian Navy for the exclusive use of the Minesweepers, to harbor craft operated by the United States authorities in the area. It has been reported that approximately 50 tons of coal have been supplied to date. In view of the great economy at present being made in supplies of coal to the Italian Navy, and the fact that the Allied authorities in question are in a position to obtain their requirements of coal from their own sources, the Ministry of Marine accordingly instructed to the effect that no further issues of coal were to be made to the Allied units, except in an emergency when arrangements for repayment in kind had been made.

In view of the numerous minefields still existing in Italian waters and the great need for the increase of coastal shipping, the Italian Navy has set up degaussing installations at various ports, for the protection of ships from magnetic mines. Italian Navy personnel have been trained by British Officers, and a large quantity of degaussing stores and equipment, including a mobile wiping unit namely H. M. M. M. S. 185, have been transferred to the Italian Navy by the Royal Navy. While a number of items are still expected from Malta, the degaussing service is now operating satisfactorily. The Italian Navy has now assumed complete responsibility for the neutralizing of mines washed ashore on the East and West coast of Italy, and for the disposal of ground mines in Italian harbors. Italian Navy personnel have been trained by British Officers and the special gear required for this work, including non-magnetic tools, has been made available by the Royal Navy. Specially fitted vehicles have also been supplied to the Italian Navy Mine and Bomb Disposal Units so that large stretches of coast may be easily covered. The Units are now fully operational and working efficiently.

The call-ups of the classes of 1923-24 for the Italian Armed Forces in the territory under the control of the Allied Military Government in Northern Italy was postponed until that territory was turned over to the control of the Italian Government. Since the Northern territories were restored to Italy at the first of the year no action has been taken by the Italian Navy to conscript recruits in that area since additional recruits are not needed by the Italian Navy at this time. Negotiations are in progress for the transfer of the Navy's quota to the Italian Army.

ODDS AND ENDS

W/O JG Gerald B. Pate, (A), (Displaced Persons Sub-Commission) has been reassigned to Allied Military Government, Trieste.

Capt. Walter I. Rand, (A), (Displaced Persons Sub-Commission) has recently joined the Allied Commission.

* * *

The 2675th Regiment, Allied Commission (Overhead), has been redesignated as 7106th Regiment, Allied Commission (Overhead).

* * *

The Allied Military Government Organization in Venezia Giulia, formerly known as Allied Military Government, XIII Corps, has been redesignated as Allied Military Government, Venezia Giulia.

The Allied Information Service Organization in Venezia Giulia, formerly known as Allied Information Service, XIII Corps, has been redesignated as Allied Information Service, Venezia Giulia.

927

Declassified E.O. 12356 Section 3.3/NND No. 765020

October 18, 1946 Vol. I, No. 40

ECONOMIC NOTES

— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolò da Tolentino 78, Rome —

CONTENTS

1. Distribution of Imported Raw Materials | 2. Losses Small in Grain Handling
3. Movements of Ships

DISTRIBUTION OF IMPORTED RAW MATERIALS

About 70,000 tons of essential raw materials, imported under the UNRRA programme for Italian industrial rehabilitation are shortly to be distributed to manufacturers by the Government through the Central Industrial Commission of the Ministry of Industry and Commerce.

Manufacturing firms requiring any of these products for essential uses are invited to apply to the Regional Sub-Commission of the Central Industrial Commission, which is in charge of allocations. Forms and instructions for the purpose are available at U.P.I.C. offices (Uffici Provinciali per l'Industria e il Commercio).

Aid to national industry

These industrial raw materials, which are delivered to the Italian Government free of charge like all other UNRRA supplies, are vital to the national reconstruction effort. They include basic products, the procurement of which would normally present a heavy charge on Italy's import budget, and their availability at this time will enable Italian labour to produce urgently needed commodities ranging from tyres and insulators to dyes and pharmaceuticals.

Arrivals to date include fifteen items and a number of pharmaceutical raw materials.

The following list shows the technical specifications of the various products and the

Fire-Clay (12,000 tons):
Alumina 35.5 to 38.5 %. Iron oxide 2 %.

Manganese Ore (10,000 tons):
High quality, over 45 % manganese content. Well suited for use in the iron and steel industry for electrolytic production of ferro-manganese used in steel-making and similar uses.

Steel (9,600 tons):
Arrivals to date include steel billets, corrugated sheets, flat sheets and plate, reinforcing rods and bar stock.

Pig Iron (9,200 tons):
5,200 tons are foundry grade with the following specifications: 0.6 to 1.2 % manganese, 2.3 % silicon, 0.5 % sulphur and 4-7 % phosphorus. The remaining 4,100 tons are refining grade containing 1.5 % manganese, 1.5 3 % silicon, 0.05 % sulphur and 0.12 % phosphorus.

Colophony (4,000 tons):
Approximately 40 % gum resin, 40 % wood resin and 20 % modified.

Rubber (4,500 tons):
All natural rubber.

Coal tar solvents (4,200 tons):
Arrivals include 500 tons of nitration grade benzol, 2,500 tons of industrial grade benzol and, 1,270 tons of nitration grade toluol. These products conform to standard specifications for such grades and are therefore suitable for use in all processes requiring such materials.

Petroleum Coke (4,300 tons):

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Arrivals to date include fifteen items and a number of pharmaceutical raw materials.

The following list shows the technical specifications of the various products and the approximate tonnage of each which is available:—

Fire-Clay (12,000 tons):

Alumina 35.5 to 38.5 %. Iron oxide 2 %.

Manganese Ore (10,000 tons):

High quality, over 45 % manganese content. Well suited for use in the iron and steel industry for electrolytic production of ferro-manganese used in steel-making and similar uses.

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Arrivals to date include steel billets, corrugated sheets, flat sheets and plate, reinforcing rods and bar stock.

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5,200 tons are foundry grade with the following specifications: 0.6 to 1.2 % manganese, 2 3 % silicon, 0.5 % sulphur and 4-7 % phosphorus. The remaining 4,100 tons are refining grade containing 1.5 % manganese, 1.5 3 % silicon, 0.05 % sulphur and 0.12 % phosphorus.

Colophony (4,000 tons):

Approximately 40 % gum resin, 40 % wood resin and 20 % modified.

Rubber (4,500 tons):

All natural rubber.

Coal tar solvents (4,230 tons):

Arrivals include 500 tons of nitration grade benzol, 2,500 tons of industrial grade benzol and, 1,270 tons of nitration grade toluol. These products conform to standard specifications for such grades and are therefore suitable for use in all processes requiring such materials.

Petroleum Coke (4,300 tons):

Standard grade material for the manufacture of electrodes for electric furnaces. It is not intended for use as fuel.

Declassified E.O. 12356 Section 3.3/NND No. 765020

Copper (3,000 tons):

Arrivals to date have been 3,009 tons of high grade fire refined copper and 805 tons of electrolytic wire bar.

Denatured alcohol and acetone (1,280 tons):

880 tons of denatured ethyl alcohol for industrial use and 400 tons of pure acetone. Both materials are suitable for use as solvents and for specific process uses in the chemical industries.

Nickel (1,000 tons):

Pure metal in electrode squares. Particularly needed in the production of alloy steels.

Chromite (2,000 tons):

High grade ore running 48 % minimum chromium content. Suited for the various purposes of the metallurgical industries.

Pig Tin (400 tons):

Pure tin in pigs, such as is normally used for the manufacture of tin plate, solders and similar uses.

Shellac (62 tons):

Suitable for use in varnishes and insulating materials.

The fire-clay which has been received is not first grade material but has been procured as an emergency measure to fill the urgent need for refractory materials in Italy. Refractories are required for the glass, cement, lime and brick industries to produce materials for building reconstruction. Urgent need for refractories obtains also in the metallurgical industries.

Italy's steel production

The minerals (manganese ore and chromite) are essential in steel production. An equal quantity of manganese ore—which is required for the electrolytic production of ferro-manganese used in steel making—had been originally scheduled for procurement on the Italian Government's own purchasing programme (the so-called Y.T. Programme), and subsequently cancelled. Chromite is required for processing special alloy steels, tool steels and stainless steels used in the production of springs, axles, valves etc., in railway locomotives and rolling stock, automobile, truck and electrotechnical and power equipment.

The pig iron imported by UNRRA on the industrial programme is for the purpose of utilising the steel production facilities of Italy to [illegible] gradually increasing to a point where three blast furnaces will be in operation shortly.

In addition to the use of pig iron for production of steel, this material is used by foundries for the production of castings for essential purposes. Semi-finished steel is imported on the UNRRA program in an effort to utilise Italian rolling mills to maximum capacity for the production of rolled shapes required by the transportation, mechanical and similar industries. The developments outlined above will help to mitigate Italy's reliance upon imports of finished steel and at the same time provide work for larger numbers of Italian people and industries.

The world supply of colophony is very limited and UNRRA has been restricted in the grades which could be procured. The product now to be distributed is suitable for the soap industry, for the manufacture of sizes for the paper industry and of insulators, cables and dry batteries, varnishes and soldering flux.

Natural rubber

Rubber shortage is one of the main handicaps to economic rehabilitation. In the road transport sector alone, it is estimated that Italy will need approximately 480,000 new tyres within the next year. Electric and communication transmission lines, essential mechanical rubber goods necessary in industrial rehabilitation, vulcanising and repair of tyres and tubes, are among the many demands which must be met promptly.

The UNRRA-imported product is all natural rubber and is therefore best suited to meet Italian requirements since manufacturers have had extensive experience in processing this type. Its availability simplifies technical problems in the rubber industry, particularly in the manufacture of large tyres.

Italy has always been a large importer of coal tar chemicals. The benzol and toluol now imported by UNRRA are essential in the manufacturing processes which go to the making of aniline and dye-stuffs, solvents for fats, oils, waxes, gums and resins, and saccharine.

Copper

Copper, another essential raw material of

Declassified E.O. 12356 Section 3.3/NND No. 785020

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The pig iron imported by UNRRA on the industrial programme is for the purpose of utilising the steel production facilities of Italy to fullest advantage until such time as the blast furnaces can be operated again. Resumption of these furnaces is dependent upon the supply of suitable coal for coking and this supply is foundries for the production of castings for essential purposes. Semi-finished steel is imported on the UNRRA program in an effort to utilise Italian rolling mills to maximum capacity for the production of rolled shapes required by the transportation, mechanical and similar industries. The developments outlined above will help to mitigate Italy's reliance upon imports of finished steel and at the same time provide work for larger numbers of Italian people and industries.

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Natural rubber

Rubber shortage is one of the main handicaps to economic rehabilitation. In the road transport sector alone, it is estimated that Italy will need approximately 180,000 new tyres within the next year. Electric and communication transmission lines, essential mechanical rubber goods necessary in industrial rehabilitation, vulcanising and repair of tyres and tubes, are among the many demands which must be met promptly.

The UNRRA-imported product is all natural rubber and is therefore best suited to meet Italian requirements since manufacturers have had extensive experience in processing this type. Its availability simplifies technical problems in the rubber industry, particularly in the manufacture of large tyres.

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Copper

Copper, another essential raw material of which Italy has no domestic production, is required for the rehabilitation of electrotechnical industries and the electric railway

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Declassified E.O. 12356 Section 3.3/NND No. 785020

system. The development of Italy's hydro-electric power sources which will partly relieve her dependency on coal and petroleum imports, is closely associated with the availability of copper.

Calcined petroleum coke is a basic ingredient in the various types of electrodes required for the steel and aluminium industries.

Alcohol - Nickel - Tin

Italian production of cereal sugar and molasses, the raw materials for alcohol production, is too small to allow of any allocation to other than edible uses. The UNRRA-imported denatured ethyl alcohol and acetone will supply some of the basic processing requirements for the manufacture of ether and other essential chemicals. Acetone particularly is needed for impregnation in the textile industry, one of the sections of Italian industrial economy which have so far had substantial rehabilitation.

Italy produces no nickel, which is indispensable for the production of alloy steels required by the railway, chemical and electro-technical industries, besides being a *sine-qua-non* ingredient of many other essential manufacturing processes.

Shellac is required for the manufacture of spirit varnishes, inks, rubber and paper and for the engraving and lithography trades which normally afford considerable employment to Italian artisans and skilled labour.

Tin, another non-indigenous product, is indispensable to Italy's canning industry whose activity means the preservation of vital food supplied in the form of tinned fruit, vegetables and fish products.

The pharmaceutical industry

The steady progress which has so far been achieved in restoring Italy's pharmaceutical industry—shorn of its pre-war sources of supply—will receive further impetus from the supply of UNRRA-imported raw materials, of

Acetone	14,109 lbs.
Codeine phosphate	175 ,,
Corn Syrup	8,016 ,,
Insulin (22 U.T./mgr.)	163,337,030 units
Theobromine Alkaloid (pure U.S.P.)	130 kg.
Toluol pure	4,724 lbs.
Progesterone	1 kg.

Regional allocation plans for all the above products will be completed by 28 October and distribution will start shortly afterwards.

Allocations will be governed by the extent to which the finished product is essential to domestic economy. No individual applications are handled by UNRRA. Firms wishing to request allocations should contact their local U.P.I.C. office (Ufficio Provinciale per l'Industria e il Commercio) at once and obtain the necessary forms for filing with the Sub-Commission. Upon execution of the forms, they should be promptly returned to U.P.I.C. for transmission to the Sub-Commission. Firms receiving allocations will be promptly notified upon completion of the allocation plan with pertinent information concerning price and delivery points.

LOSSES SMALL IN GRAIN HANDLING

Investigations conducted separately by UNRRA and by the Federazione Consorzi Agrari have revealed that losses on the handling and transport of UNRRA-imported grain from port of loading abroad to flour mill in Italy do not exceed 1.6 per cent. and may prove to be even less when further reports, now awaited, have come to hand.

The UNRRA enquiry aimed at establishing an accurate figure as to the real losses incurred in the transfer of imported cereals from ships to mills. With this end in view, a series of checks was carried out on individual ships selected at random among the arrivals during the period May to June.

This period covers the most crucial portion of the year, the so-called "saldatura," when grain stocks are running at their lowest, and the new crop has not yet been harvested.

With Italy's 1945 crop one of the poorest on record, the May-June weeks this year were particularly critical. Moreover, wheat arrivals had often to be dispersed inland over a wide

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The pharmaceutical industry

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Theobromine Alkaloid (pure U.S.P.)	130 kg.
Toluol pure	4.754 lbs.
Progesterone	1 kg.

Regional allocation plans for all the above products will be completed by 28 October and distribution will start shortly afterwards.

Allocations will be governed by the extent to which the finished product is essential to domestic economy. No individual applications are handled by UNRRA. Firms wishing to request allocations should contact their local U.P.I.C. office (Ufficio Provinciale per l'Industria e il Commercio) at once and obtain the necessary forms for filing with the Sub-Commission. Upon execution of the forms, they should be promptly returned to U.P.I.C. for transmission to the Sub-Commission. Firms receiving allocations will be promptly notified upon completion of the allocation plan with pertinent information concerning price and delivery points.

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With Italy's 1945 crop one of the poorest on record, the May-June weeks this year were particularly critical. Moreover, wheat arrivals had often to be dispersed inland over a wide area, flour unloaded at Bari, for example, having to be quickly transported to Milan to meet the impending shortage of bread there.

Declassified E.O. 12356 Section 3.3/NND No. 785020

Hence the temptation, as well as the opportunity, to pilferers reached its highest level at that time, and it might reasonably be inferred that losses should have been above, rather than below, the average.

Methods adopted

UNRRA-imported grain, in accordance with the agreement on all UNRRA relief and rehabilitation supplies, is handed over, free of charge, to the Government agency (in the case of grain, to the Federazione dei Consorzi Agrari), on arrival at Italian ports. The special investigators, starting from the port of arrival, obtained the weight according to ship's manifest, and the figure of the actual quantity weighed in by the Federazione dei Consorzi Agrari.

The next step consisted in obtaining from the Federazione the list of daily despatches with railwagon or truck numbers, of all consignments distributed from the ship concerned.

Finally the receiving province and the individual mills were visited, the actual mill receipts checked against each individual shipment, and differences noted. In some cases where the grain had not yet been sent to mill, the Provincial Consorzio Agrario stock receipt was taken.

Trifling loss

A summary of the results obtained by following through the cargoes of six grain ships from ship to mill shows that out of a total of 483,358 quintals appearing on the ships' manifest, 476,590 quintals were received at the first weighing-in by the Federazione. The difference of 6,768 quintals represents a loss of 1.4 per cent. on the manifest weight.

The next section of the UNRRA enquiry dealt with the transportation of imported grain from the ports to the mills. Out of a total of 445,762 quintals shipped inland from the ports, 444,986 quintals were received by the mills, with a resulting loss of 776 quintals or 0.18 per cent.

The separate figures reported by the Federazione Consorzi Agrari on shipments imported from January to July shows a loss of 1.19 per cent. on manifest weight.

The trifling extent of these losses—which may eventually prove to be even less than stated—may be gauged from the fact that shipping contracts in normal times usually allow for a loss on grain tonnage of up to one per cent. of the amount shipped.

The figures provided, on internal losses, by Federazione dei Consorzi Agrari refer to shipments of grain in UNRRA's second programme. The total loss for all Italy was found to be 0.46 per cent. This, however, includes some diversions of rail wagons to other provinces, for which Receiving Reports have not yet come in. The final figure may therefore be expected to approach the findings of the UNRRA check for the May-June period.

Results are reassuring

Furthermore, the Federazione investigation covered the period from January to July. Road and rail transport have improved since then, and internal distribution efficiency has increased and losses in transit have diminished accordingly.

Investigations also revealed that losses on cereals transported by road, even when the receiving mill did not supply its own transport, were less than when rail haulage was employed. This is undoubtedly due to the fact that now the Federazione can generally obtain road transport on terms whereby the carrier accepts responsibility for the safety of the goods. The rate of fines on drivers may, in some cases, be ten times the value of the merchandise lost in transit.

The results of the investigation are reassuring. Though circumstances during the periods surveyed were far from normal, the loss percentages are nevertheless little different from the usual allowances envisaged by the grain-carrying trade in pre-war times.

Declassified E.O. 12356 Section 3.3/NND No. 785020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(OCTOBER 6 - 13 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Ariadne	Genoa	9 October	UNRRA	General	200
Mount Aetna	»	10 »	Swiss	—	7,200
Drake Victory	Naples	» »	UNRRA	General	1,475
Empire Promc	Genoa	11 »	»	Pig-iron	4,000
Fort St. Paul	»	» »	»	Manganese	1,200
Greece Victory	»	» »	»	Wool	1,276
Seaside	Civitavecchia	» »	»	Cereals	7,762
Mount Gaspe	Bari	» »	»	General	2,369
Middlebury Victory	Genoa	12 »	»	Wool	670
Samshire	»	13 »	»	General	2,464

LATEST COAL SHIPMENTS

(OCTOBER 7 - 13 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Empire Stour	Genoa	7 October	Germany	UNRRA	6,833
Robert R. Mc. Barney	Civitavecchia	8 »	United States	»	8,902
	Piombino	12 »			
George N. Seger	Genoa	10 »	» »	»	8,927
	Piombino	13 »			
Teresa Schiaffino	Civitavecchia	10 »	Germany	»	7,268
Dodekanisos (1)	Ancona	» »	United States	»	4,572
Giacomo C.	Bagnoli	» »	Germany	»	6,412
Voluntas	Savona	11 »	United States	»	7,573
Barbara Fristchie	Venice	12 »	Bahrein	It. Program.	8,703
Benjamin Bourn	La Spezia	13 »	United States	UNRRA	8,755

NOTE: (1) Also discharged at Bari

Declassified E.O. 12356 Section 3.3/NND No. 785020

CARGOES OTHER THAN COAL

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Ariadne	Genoa	9 October	UNRRA	General	200
Mount Aetna	»	10 »	Swiss	—	7,210
Drake Victory	Naples	» »	UNRRA	General	1,475
Empire Prome	Genoa	11 »	»	Pig-iron	4,000
Fort St. Paul	»	» »	»	Manganese	1,200
Greece Victory	»	» »	»	Wool	1,276
Seaside	Civitavecchia	» »	»	Cereals	7,762
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Declassified E.O. 12356 Section 3.3/NND No. 785020

October 11, 1946 Vol. I, No. 39

ECONOMIC NOTES

— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolò da Tolentino, 78, Rome —

CONTENTS

1. Italy's Housing Needs
2. UNRRA Imports
3. Problems at Washington Meeting
4. Movements of Ships

ITALY'S HOUSING NEEDS

The cost of providing Italy with the minimum number of houses, both new and repaired, to meet present urgent needs, would be about 640,000 million lire—according to an enquiry just completed by the UNRRA Italy Mission. The purpose of the enquiry was to determine the extent of Italy's housing shortage, the contributing causes and what measures were possible to relieve the existing situation.

Estimates of war damage by the Ministry of Public Works, corrected up to 30 April, 1946, give a total of 4,026,081 rooms damaged or destroyed. Of these 1,145,000 rooms were destroyed, 645,400 heavily damaged and 2,226,680 lightly damaged.

Pre-War Situation

But even before the war, Italy's housing situation was difficult. According to the 1931 census, the first—and only—census that included a count of houses, the number of families living in overcrowded conditions formed a high percentage of the total for the whole of Italy. The census of 1931 showed that the size of the average apartment was generally smaller in the smaller cities and towns than it was in the larger cities, with some exceptions in Central Italy, and it also showed that the condition of rural housing was especially critical.

A study by Sig. Barberi, Director of the Istituto Centrale di Statistica, entitled "Le Condizioni delle Popolazioni Italiane nei riguardi delle Case di Abitazione," showed that during the 10 years between 1931 and 1941 (when building activity, which had been declin-

creased their total housing accommodation by less than 42,000 rooms.

In the period from 1931 to the present time Italy's population has increased from 41,600,000 to 45,800,000. The new housing needed to accommodate this increase in population should (on the ratio established in the 1931 census) have been practically double the actual net increase in rooms before the war. Apart, therefore, from war damage, Italy's housing shortage would, in any case, have been acute.

The estimate of 640,000 million lire covers the cost of rebuilding and repairing homes damaged by the war, and also the new construction necessary to overcome housing shortages due to increased population. Of this sum about 400,000 million lire are required for the reconstruction of war-damaged property and 240,000 million lire for new house construction.

Estimated Requirements

A study by Professor Chiodi of the University of Milan, "Problemi e Prospettive della Ricostruzione Edilizia," was used as a basis for making estimates of amounts of building materials and hours of labor that would be necessary to supply Italy's total housing needs.

The following are estimates of principal building materials and labor involved:

Lime and cement	tons	14,000,000
Bricks and tile	No.	18,300,000,000
Lumber	cub. meters	4,000,000
Iron	tons	1,100,000
Paving materials	cub. meters	100,000,000
Glass	sq. meters	14,400,000
Labor (masonry and		

Declassified E.O. 12356 Section 3.3/NND No. 765020

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Glass	sq. meters	14,400,000
Labor (masonry and general construction)	man-hours	1,597,440,000

Both directly and indirectly UNRRA is contributing towards repairing and rebuilding the houses that Italy needs. The chief contribution is indirect—through the provision of

924

Declassified E.O. 12356 Section 3.3/NND No. 785020

the coal needed for the manufacture of building materials. Of UNRRA's total coal shipments which amounted to over 3,500,000 tons by the end of September, it is estimated that some 147,000 tons were allocated to brick kilns, cement, glass and lime works. October allocations of UNRRA-imported coal amounted to a further 32,200 tons. There is a further indirect contribution of UNRRA-imported coal, for rail transport of these materials: and of UNRRA-imported petroleum products, for truck haulage.

Self-help through C.A.S.A.S.

UNRRA's direct contribution is through the CASAS (Comitato Amministrativo Soccorsi ai Senzatetto) project designed to help the neediest of those who have lost their homes through the war. CASAS plans to help in the repair of about 78,000 rooms by the end of the year, and the building of 700 new family apartments by February, 1947, in areas where war damage has been exceptionally severe. The CASAS project (as already reported in *Economic Notes* No. 9 of 15 March) is financed by an allocation of 1,000 million lire from the Lire Fund created by the sale of UNRRA-imported goods delivered free of charge to the Italian Government.

Up to the present, of the 1,000 million lire allocated to CASAS by UNRRA, a total of 400 million lire has already been appropriated for general costs. A further allocation of 167 million lire has been approved for charges connected with motor transport. In addition, UNRRA is meeting substantial foreign currency expenditure for transport, equipment, tools and accessories purchased from foreign sources.

Free Road Transportation

Free road transportation of house-building materials for repair schemes undertaken through CASAS is provided by UNRRA. The fleet of CASAS motorvehicles now totals 617, and further additions are planned. CASAS is at present operating from 14 different centres of which the most important are Ortona, Bologna, Carrara, Castel di Sangro and Scauri. Two new centres are in process of being opened at Udine and in the Rimini-

Achieving Steady Progress

Up to 15 September CASAS had made possible the repair of 32,843 rooms of which 7,000 were located in the province of Chieti, 6,700 in the province of Bologna and nearly 5,000 in the province of Frosinone. During the four-week period from mid-August to mid-September CASAS completed repair on 7,115 rooms, while repairs were in progress on a further 8,654. Up to date CASAS has helped to rehouse 54,742 needy persons rendered homeless by the war.

With regard to new construction—as distinct from house repair—work is now in progress on 25 out of 26 of the contracts approved by the Executive Committee of CASAS. The houses now being built will provide 700 apartments. Work has been delayed at Cassino owing to difficulties with the local authorities in the selection of a building site.

The program for the rest of the year envisages a repair schedule of 14,000 rooms per month, for October, November and December and the completion of 192 new apartments. A further 256 new apartments should be completed by the third week in January.

Closer Co-operation

To speed up repair work a Chief Engineer has recently been appointed with special responsibility for the repair program. Greater flexibility has been introduced in the day-to-day working of the CASAS organization, and unduly rigid budgetary control relaxed.

In order to ensure close collaboration between the Ministry of Post-War Assistance and CASAS, particularly in regard to evacuation of the camps, a working committee has been formed composed of representatives of the Ministry of Post-War Assistance, CASAS and the Special Relief Projects and Welfare Divisions and the Sub-Bureau of Industrial Rehabilitation of the UNRRA Italy Mission.

To eliminate present financial difficulties in regard to "anticipated" materials which the local civil authorities are authorized to issue to needy persons for house repairs, in advance of payment of the 60 per cent. Government grant, proposals are now under consideration for creation of a revolving fund—by means of

Declassified E.O. 12356 Section 3.3/NND No. 785020

by the end of September, it is estimated that some 147,000 tons were allocated to brick kilns, cement, glass and lime works. October allocations of UNRRA-imported coal amounted to a further 32,200 tons. There is a further indirect contribution of UNRRA-imported coal, for rail transport of these materials; and of UNRRA-imported petroleum products, for truck haulage.

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Declassified E.O. 12356 Section 3.3/NND No. 765020

A further proposal is under consideration to use this revolving fund for advances not only for "anticipated" materials, but also for "anticipated" labor in cases where needy people can afford neither the labor nor the materials to repair their houses. The establishment of this revolving fund, both for "anticipated" materials and "anticipated" labor, is dependent upon amendment of the Government Decree of 9 June, 1946, setting up the CASAS organization.

UNRRA IMPORTS

Readers of *Economic Notes* should be interested in the following figures showing the proportion of UNRRA's relief and rehabilitation program for Italy which had been fulfilled by the end of August, 1946.

It will be seen that of a total of approximately 10,000,000 tons of commodities which the UNRRA Italy Mission is responsible for supplying free of charge to the Italian Government, over 5,000,000 metric tons had reached Italian ports by 31 August last.

Divided into five main categories, the figures show that by that date UNRRA supplies intended for Italy's industrial rehabilitation had reached a total of 4,001,652 tons: agricultural rehabilitation, 43,892 tons; food, feed and soap, 1.197,490 tons; textiles, clothing and footwear, 50,784 tons; medical and sanitation supplies 5.831 tons.

The figures are based on latest shipping reports and further alterations, if any, will be only of a trifling nature.

1. *Industrial Rehabilitation:*

	Partial Tonnage	Total
Vehicles & Vehicle Maintenance Supplies	3,538	
Solid Fuel (Coal)	2,907,158	
P.O.L. (1)	1,020,000	
Pig Iron	5,396	
Steel	7,825	
Manganese Ore	1,524	
Tin	405	
Copper (refined)	3,753	
Nickel	1,056	
Asphalt	27,596	
Colophony	2.247	
Chemicals and Other Raw Materials	4,772	

	Partial Tonnage	Total
2. *Agricultural Rehabilitation:*		
Farm Machinery	2,458	
Fertilizers (Nitrates, Basic Slag)	12,985	
Food Processing (Tin Plates, Sealing Compound)	1,228	
Pesticides (Copper Sulphate, other)	11,083	
Blister Copper	3,682	
Seeds:		
Potatoes	10,152	
other)	2,354	
		43,892
3. *Food, Feed and Soap:*		
Wheat	673,350	
Wheat Flour, Soya Flour, Oats, Corn, Other Grain & Grain Products	246,226	
Meat & Meat Preparations	14,279	
Fish (canned, dried or salted)	38,804	
Dairy Products	61,996	
Edible Fats & Oils (Lard, Fat Cuts, Copra)	31,963	
Sugar & Related Products	60,712	
Pulses (dried beans and peas)	28,975	
Beverages (Cofee Beans, Other Beverages)	5,044	
Soup, dehydrated	6,907	
Other Foods	11,841	
Animal Feed	5,094	
Inedible Fats & Oils	12,259	
		1.197,490
4. *Clothing, Textiles and Footwear:*		
Raw Cotton	33,411	
Raw Wool (greasy)	11,650	
Miscellaneous Textiles & Processing Equipment (Finished Clothing, Blankets & Bedding, Misc. Materials including Sewing Machines)	697	
Finished Footwear	691	
Hides and Skins	977	
Composition & Rubber Soling	1,174	
Misc. Footwear Materials	2,184	
		50,784
5. *Medical and Sanitation Supplies*		5,831

September Arrivals

September imports of UNRRA-supplied commodities exceed a total of 867.000 tons.

The main items are 665,000 tons of coal and over 144,000 tons of petroleum products.

Declassified E.O. 12356 Section 3.3/NND No. 765020

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Colophony	2,247	
Chemicals and Other Raw Materials	4,772	
Rubber	2,811	
Lumber	473	
Asbestos	3,800	
Clays (including Kaolin)	8,647	
Other	651	
		4,001,652

(1) Estimated amount.

Food Processing (Tin Plates, Sealing Compound)	1,228	
Pesticides (Copper Sulphate, other)	11,083	
Blister Copper	3,682	
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September Arrivals

September imports of UNRRA-supplied commodities exceed a total of 867.000 tons.

The main items are 665,000 tons of coal and over 144,000 tons of petroleum products. Manganese ore figures for 5,890 tons, steel for 2,118 tons and rubber for 1,120 tons. Food imports in September include 30,800 tons of grain and other cereals, 2,450 tons of meat and meat preparations, 1,760 tons of dairy products in the form of processed milk. Imports of raw wool last month amounted to 4,940 tons.

Declassified E.O. 12356 Section 3.3/NND No. 765020

PROBLEMS AT WASHINGTON MEETING

To study Italian Supply problems on the spot, preparatory to the fourth UNRRA Supply Conference which is to open at Washington on 15 October, Mr. Joseph L. Nellis, Chief of the Italian, Greek and Austrian Program Division, Bureau of Supply, at UNRRA Headquarters in Washington, last week paid a brief visit to Italy.

The Division is responsible for ensuring liaison, co-ordination and proper execution of the supply programs established on behalf of the receiving countries. Weekly telephone conversations between Washington and the Italy Mission in Rome, keep the responsible UNRRA officials posted on the latest developments and enable them to take the necessary measures promptly in the event of strikes or other unforeseen circumstances which might otherwise temporarily delay the flow of UNRRA supplies. Hence Mr. Nellis—who was formerly Chief Attorney of the OPA (Office of Price Administration) Food Division—may be said to act as Italy's representative at UNRRA Headquarters in Washington, and it is his Division's primary task to see that the Italy Mission's requests are adequately satisfied and that the flow of supplies proceeds as smoothly as circumstances permit.

Adequate Stocks of Fuel

Mr. Nellis pointed out that the U.S. strike of firemen and engineers, which started on October 2, is bound to cause some additional delay in shipping the UNRRA program. Fortunately, however, the approximately 70 ships that had been held up in the first strike were all cleared before the second one began so that these supplies will be available meanwhile. Of the two items comprising the largest volume—Coal and P.O.L.— the supplies in this country are adeguate to permit industry and transport to go forward at the present levels, unless the strike continues for an unexpectedly long time.

As regards the selection of UNRRA supplies, Mr. Nellis pointed to the fact that a nation's requirements have to be reconciled with world availability of a given commodity and also with UNRRA's resources.

He stressed the Administration's statutory position, whereby 90 per cent. of the contributions to UNRRA is, by statute, to be made in kind, and only 10 per cent. is made available in actual cash. In some cases UNRRA has to take-it-or-leave-it.

The Principal Task

In fact, the principal task facing Mr. Cleveland and Mr. Luzzatto of our Mission at the Supply Conference, starting in Washington on October 15, will be to attempt to reconcile to the greatest possible extent the requirements of Italy with the supplies available. They will have the benefit of the close collaboration of Mr. Sacerdoti, the head of the Italian Technical Delegation in Washington, nominated by the Italian Government as its representative at the Supply Conference.

Everything will be done by these three men to ensure that the Italian economy receives adequate supplies of those commodities which are indispensable to its recovery and which are particularly vital in helping Italy to tide over the delicate transition period with which it is now faced.

Although UNRRA has officially taken no formal action as regards the post-UNRRA period, there is no doubt that many of the conversations in Washington will center around this problem. Both our representatives and Mr. Sacerdoti are thoroughly familiar with the Italian post-UNRRA problems and their presence in Washington at this moment should be very valuable to Italy's supply plans for 1947.

Declassified E.O. 12356 Section 3.3/NND No. 765020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(SEPTEMBER 30 - OCTOBER 5 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Fido (1)	Genoa	29 Sept.	UNRRA	Basic Slag	2,400
Samtruth	»	30 »	»	Minerals	600
Marocco	»	2 October	»	General	45
Apollo	Venice	» »	It. Programme	Minerals	5,200
Empire Arun	Genoa	3 »	UNRRA	Raw Wool	1,500
Capo Mele	»	5 »	»	Harbour installations	—

NOTE: (1) Advice received too late for inclusion in last week's shipping list.

LATEST COAL SHIPMENTS

(SEPTEMBER 30 - OCTOBER 6 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Nicolaos G. Culucundis	Savona	30 September	Turkey	Swiss	4,757
Sidney Wright (1)	Ancona	» »	United States	UNRRA	4,500
Henry Gilbert Costin	Savona	2 October	» »	»	8,793
Francis D. Culkin	Genoa	» »	» »	»	9,111
	Leghorn	5 »	» »	»	
Mathew Maury	Venice	2 »	» »	»	8,225
	Ancona	4 »	» »	»	
George Sharswood (1)	»	2 »	» »	»	3,000
Vittorio Veneto	Bagnoli	3 »	Germany	»	6,400
Dodekanisos	Bari	5 »	United States	»	8,723

923

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Vittorio Veneto	Bagnoli	3 »	Germany	»	6,400
Dodekanisos	Bari	5 »	United States	»	8,723
Kordum	Venice	6 »	Germany	»	7,515

NOTE: (1) Also discharged at Venice

923

declassified E.O. 12356 Section 3.3/NND No. 765020

October 4, 1946

Vol. I, No. 38

ECONOMIC NOTES

— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolò da Tolentino, 78, Rome —

CONTENTS

1. Finance for Italy's 1947 Needs
2. UNRRA Cotton Plans
3. Commodity Prices Agreed
4. Movements of Ships

FINANCE FOR ITALY'S 1947 NEEDS

Italy's import requirements during the transition period in the first half of 1947, as UNRRA completes its program of assistance, are now being closely studied by the UNRRA Italy Mission, in conjunction with the Italian Government. The object of these talks is to ensure a smooth change-over from UNRRA to the Italian Government of responsibility for financing, procuring and shipping the basic imports—primarily grain, coal and petroleum products—that are essential to the maintenance of Italy's national economy.

UNRRA's view-point in regard to this transition period has been explained by the Deputy Chief of the Italy Mission for Requirements and Distribution, Mr. Harlan Cleveland, who in Milan last week urged the need for early planning to ensure a steady flow of supplies.

Program Will Be Completed

"UNRRA's job in Italy will not be finished until the second quarter of 1947—or seven or eight months from now," he said. "Even though 50,000,000 to 100,000,000 dollars' worth of goods, which Italy is supposed to receive, have not been bought and shipped by Christmas time, UNRRA's Christmas presents will continue to be sent until the total program of supplies has been received. The last arrival should be in April or May."

The vital significance of UNRRA supplies the war: enough to give the Italian railways a safety margin in the form of substantial stocks; enough to get the Italian steel industry into production on an important scale for the first time; enough to provide fuel for the many industries which are starting again to produce the materials and products that a reborn Italian economy needs so badly.

Wheat, Oil and Rubber

At the same time, UNRRA is undertaking to bring in, between now and the next harvest, more than one-third of the wheat needed to meet Italy's grain deficit during this crop year.

UNRRA has continued the flow of petroleum supplies, so that it is now fair to say that petroleum is not in short supply in Italy for any legal and justified purpose. UNRRA is enabling the Italian oil refineries to be put back in condition by importing crude oil—thereby decreasing the cost in foreign exchange of petroleum products for Italy.

In addition, UNRRA during the fourth quarter of this year alone will buy 10,000 tons of rubber for Italy—enough to make 300,000 tyres, or fully equip 50,000 trucks. This represents more than one-third of Italy's normal consumption of rubber for domestic purposes.

Industrial Imports

UNRRA is also bringing in large quantities of steel, pig-iron, tin, copper, nickel, alloy-

Declassified E.O. 12356 Section 3.3/NND No. 765020

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The vital significance of UNRRA supplies to Italy has been growing every month. In August, UNRRA imported into Italy *about 900,000* tons of coal alone—more than 80 per cent. of Italy's normal monthly imports before the war: enough to give the Italian railways a safety margin in the form of substantial stocks; enough to get the Italian steel industry into production on an important scale for the first time: enough to provide fuel for the many industries which are starting again to produce the materials and products that a reborn Italian economy needs so badly.

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Industrial Imports

UNRRA is also bringing in large quantities of steel, pig-iron, tin, copper, nickel, alloying elements, chemicals, refractories, medical raw materials and agricultural supplies.

"But UNRRA's 1946 program, great as it is, cannot solve Italy's 1947 problems," Mr.

922

Declassified E.O. 12356 Section 3.3/NND No. 765020

Cleveland urged. "It is succeeding in its primary objectives—to maintain the basic supply-line of food; to get Italy's industrial production going again by injecting fuel and basic raw materials; and to contribute to the defence of the lira by providing that universal antidote for inflation—goods.

"The problem which now faces the Italian Government and the Italian people is to make sure that the momentum created by the UNRRA import program is not lost during the first few months of 1947. Therefore, I invite the attention of every Italian to this critical 'transition period'."

There have been various estimates as to how big the deficit will be in Italy's 1947 balance of international payments. They range from 600,000,000 dollars (£150,000,000 sterling) to 900,000,000 dollars (£225,000,000 sterling). Even the smaller figure is very large.

For 1947, while there is no assurance that any international agency will be in a position to assume even part of this burden, there is good reason to hope for a sufficient increase in loans and special credits to cover a substantial portion of Italy's deficit.

Speedy Action Needed

"But time is all-important," Mr. Cleveland continued. "Even if Italy gets all the help she needs in April, the problem will not be solved. Money made available in April will not put goods into Italy until July. For Italy must find a minimum of 100,000,000 dollars (£25,000,000 sterling) before the end of this year, and another 150,000,000 dollars (£37,500,000 sterling) by March, 1947, just to keep the supply-line going in the most basic commodities—wheat, coal and petroleum products.

"There is now *no arrangement* by which this money will become available automatically. Italy will need to go hunting for it, and the present status of negotiations is not very far along, considering how soon the end of the year will be upon us, and how long it takes for all of the financing, procurement and shipping arrangements to be made.

"Strictly speaking, our responsibility as UNRRA will be discharged, if we bring in from UNRRA to Post-UNRRA a successful one. The problem requires that plans be drawn swiftly by the Italian Government in co-operation with whatever groups can make a contribution to them.

"Based on some experience of previous transition periods, we have this advice to give: Concentrate on wheat, coal and petroleum—and the rest of the import requirements will not prove too difficult to meet."

Wheat Requirements

Wheat is the biggest item. Italy's wheat deficit from harvest to harvest is about 2,00,000 tons—of which UNRRA may bring in as much as 750,000 tons. The Italian Government must, therefore, import on its own account about 1,250,000 tons—at a cost (including freight) of about 145,000,000 dollars (£36,250,000 sterling).

Italy cannot wait until next April, and see what funds may be available by that time through any continuation of relief financing on a limited scale. The problem is immediate. Imports of wheat should start as soon as possible to meet this deficit and at the same time maintain a stock in the country of at least one month's supply.

UNRRA has given the Italian Government tentative estimates as to how this can best be done. But with the world wheat situation still tight, and with the need to find nearly 150,000,000 dollars (£37,500,000 sterling) to cover wheat purchases until the next harvest, only the most vigorous action by all Government and other organizations concerned will prevent a break in the flow of supplies.

Imports Must Start at Once

"It is not a matter of waiting until UNRRA supplies are exhausted and then starting an import program," Mr. Cleveland pointed out. "Our wheat supplies will be delayed, so the Italian Government import program must be started immediately, in order to keep stocks at a reasonable level."

During the last half of this year, UNRRA is supplying Italy with 3,600,000 tons of coal. To cover the country's minimum coal needs through June, 1947, Italy will need to bring

Declassified E.O. 12356 Section 3.3/NND No. 765020

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"Strictly speaking, our responsibility as UNRRA will be discharged, if we bring in supplies still remaining on the Italian program. But we are anxious that our program shall have the maximum effect in helping the Italian people to help themselves. Therefore, we have no wish but to help in making this transition co-operation with whatever groups can make a contribution to them.

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During the last half of this year, UNRRA is supplying Italy with 3,600,000 tons of coal. To cover the country's minimum coal needs through June, 1947, Italy will need to bring in about 4,000,000 tons in the first six months of 1947.

If this coal could all be supplied from the cheapest sources it would be a much simpler problem than it is. But, in practice, Italy will

Declassified E.O. 12356 Section 3.3/NND No. 785020

be able to get from the Ruhr, from Poland, from South Africa and England less than half of its coal supply requirements. Supply needs will, therefore, force Italy to buy from the United States large quantities of coal that is costly, because it has to come from so far away.

The 4,000,000 tons which Italy needs to import on its own account will cost about 77,500,000 dollars (£19,375,000 sterling) including freight—of which about 46,000,000 dollars (£11,500,000 sterling) will need to be spent on buying and shipping U.S. coal.

This 77,000,000-dollar program, plus the UNRRA program, will enable the Italian economy to consume a gradually increasing amount of imported coal—rising from the present 600,000 tons a month to more than 800,000 tons. "If the funds are not available," Mr. Cleveland warned, "Italian industry will run down badly, soon after the first of the year."

Petroleum Imports

Petroleum is not financially as difficult a problem. Thanks to the recent decision to restart refining oil in Italy (as reported in *Economic Notes* No. 31 of 6 September), the petroleum products which have to be imported on Italian account between now and June, 1947, would amount to only about 25,000,000 dollars (£6,250,000 sterling).

Wheat, coal and petroleum alone will cost 250,000,000 dollars (£62,500,000 sterling) for purchases between now and April, 1947, to maintain the flow of these basic supplies through June, 1947. Of these funds roughly about 100,000,000 dollars (£25,000,000 sterling) will need to be available by the end of the year, if supplies are to be maintained.

"Considering Italy's relative lack of external assets, as a result of the war," Mr. Cleveland observed, "this critical transition problem becomes largely a question of where to find the money in time. To the extent that arrangements can be made for these vital commodities through private commercial credits or existing 'valuta' now in private hands, so much the better—since that will reduce the burden which the State has to carry with its own funds.

any theoretical discussions on free trade versus government control. If, by whatever private and State means, this transition period is successfully navigated, UNRRA and the Italian Government and people will, together, have taken a long step in meeting those economic problems which face every Italian, regardless of party, in the present moment."

UNRRA COTTON PLANS

Plans are now well advanced for the distribution, partly free, and partly at a specially low sale price, of the UNRRA cotton goods to be manufactured in accordance with the 31,000-ton cotton program recently agreed upon by the Italian Government and the Italian Cotton Association. These 31,000 tons—together with a further 4,000 tons shipped on UNRRA account—have been imported by UNRRA free of charge to the Italian Government; and, as already announced in *Economic Notes* (issue No. 30 of 9 August), are to be manufactured into cotton textiles to meet the urgent needs of the low-income groups in the Italian home market.

Deliveries of finished cotton goods are due to begin this month, and will continue until June next year. Details of the distribution program were discussed in Rome this week at a meeting of the Italian Government agencies concerned, the Italian Government Delegation for Relations with UNRRA and the UNRRA Italy Mission. October deliveries of finished goods are expected to amount to 500,000 kilograms. Deliveries should increase to 1,500,000 kilograms next month and 2,000,000 kilograms in December. They should rise to a maximum of 4,000,000 kilograms per month in March and April.

One-Third Free

These figures represent the total monthly production of cotton goods from UNRRA-imported cotton—both for low price sale and for free distribution. While the entire plan provides for free distribution of one-third of the total output, and sale of the remainder to selected low-income groups—at low prices on a controlled allocation plan—this propor-

Declassified E.O. 12356 Section 3.3/NND No. 765020

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Co-ordinating State and Private Effort

"To meet this problem, careful co-ordination between State and private effort will, of course, be required; and the need for this co-ordination is so important that it transcends Government and people will, together, have taken a long step in meeting those economic problems which face every Italian, regardless of party, in the present moment."

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Declassified E.O. 12356 Section 3.3/NND No. 765020

not able to afford the ruling high prices of ordinary cotton goods.

The rate of free distribution will be governed partly by the rate at which those classes of goods—for instance, flannelette for babies' layettes—scheduled for free distribution, are delivered from the mills, and partly by the rate at which funds become available from sales, since the entire operation is being financed out of a revolving fund. This fund, created by a repayable loan from the Lire Fund, will be used continuously to pay the processing costs of successive deliveries of goods, whether destined for sale or free distribution, immediately they are produced by the factories.

The proposed total of this loan is 3,000 million lire, of which so far 1,650 million lire have been made available. The total costs of manufacture and distribution will be far in excess of 3,000 million lire. Thus, it is essential that controlled sales should progress step by step with free distribution, to maintain the principle of the revolving fund, and to ensure that adequate funds are always available to meet current manufacturing and distribution costs. The operation will be under the control of UNRRA-Tessili, the body set up by Government decree to handle this 31,000-ton cotton processing program.

Four Main Types of Material

Although the program calls for 10 different types of material, only four main types will be included in the early deliveries. These consist of sheeting, shirting material, light material for women's underwear and flannelette for babies. The first three classes of material will be available both for sale and for free distribution, but all the flannelette is required for free distribution under the health authorities' layette program.

A detailed allocation plan for the free distribution of 8,800 tons of cotton goods, which represents the approximate anticipated yield from 10,000 tons of raw cotton, has been prepared by the Italian Government and the UNRRA Italy Mission, after consultation with the various Ministries and agencies involved. This plan is to be regarded as a broad indication of the numbers to be assisted and [illegible] cotton goods to be allocated to the Ministry of Post-War Assistance and the Ministry of Labour. This, it is estimated, will provide clothing for approximately 4,725,000 needy persons—men, women, boys and girls.

Allocation Program

Clothing will be allocated to 2,405,000 men on the scale of one pair of overalls, one shirt and two sets of underwear per man; and to 1,060,000 women on the scale of one house dress, one slip and two pairs of underwear per woman. Some 1,050,000 boys (aged 4-15) will each receive two shirts and two pair of underpants, and 210,000 girls (aged 4-15) a clothing outfit similar to that agreed upon for women.

The needy who are to receive this free distribution of clothing will be selected from among those who are at present being helped by established social agencies and institutions. In UNRRA's view, it is desirable that this distribution should be under the control of the provincial Welfare Committees that are already well established and have now had long administrative experience in connection with UNRRA welfare activities.

The High Commissioner for Hygiene and Public Health will, it is proposed, provide layettes for 300,000 babies, and, in addition, will distribute 252,000 sets of sheets, pillowcases and towels to hospitals, orphanages and lunatic asylums. Approximately 1,000,000 kilograms of cotton goods will be allocated to the Ministry of the Interior for the distribution of clothing and household cotton goods sufficient for 280,000 inmates in orphanages, schools for crippled children and homes for invalids and the aged.

Other Institutions Will Benefit

O.N.M.I. (Opera Nazionale per la Protezione della Maternità e dell'Infanzia) will distribute clothing and household cotton goods for 32,000 children in *asili* and residential institutions. The remainder of the cotton goods for free distribution will be allocated to the Ministry of Education for distribution to institutions caring for feeble-minded, and deaf and dumb children; and to the Ministry of Justice for distribution to training schools for delinquents and to prisons.

Declassified E.O. 12356 Section 3.3/NND No. 785020

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About 5,280 tons of cotton goods totalling some 27,500,000 square metres have been

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Plans are still under discussion for controlling the distribution of cotton goods that are

Continued on page 6

Declassified E.O. 12356 Section 3.3/NND No. 765020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(SEPTEMBER 23 - 29 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Arsia	Bagnoli	23 Sept.	It. Program	Minerals	1,000
Paul David Jones (1)	Torre Annunziata	» »	UNRRA	Cereals	4,320
Pertusola	Genoa	25 »	It. Program	Minerals	2,131
A. Contarini	La Spezia	» »	» »	»	2,000
Carlo Zeno	Ancona	» »	» »	»	2,100
George Dewey (2)	Genoa	26 »	UNRRA	General	2,110
Fort Chesterfield	»	27 »	Commercial	»	5,440
Frederick Banting	»	» »	»	Raw Cotton	4,122
Cerrier Dove	»	» »	UNRRA & Comm'l.	General	7,800
Flora Nomikou	Venice	» »	It. Program.	Minerals	3,200
Alberto Gianpaolo	Genoa	29 »	» »	»	—

NOTE: (1) Also discharged at Castellammare; (2) Also discharged at Naples.

LATEST COAL SHIPMENTS

(SEPTEMBER 22 - 28 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Harry Kirby	Genoa	22 September	United States	UNRRA	9,723
	Leghorn	27 »			
Foonan	Savona	23 »	United Kingdom	»	2,658
Edward J. Berwind	»	» »	United States	»	8,763
Orata	Venice	» »	Germany	»	11,181
James M. Gillis	Savona	24 »	Bahrein	It. Program	8,570
Fort Grouard	»	» »	Germany	UNRRA	9,355
Seaman A. Knapp (1)	Naples	» »	United States	»	4,436
John Trumbull	Venice	25 »	»	»	7,709
San Anthony (2)	Civitavecchia	» »	Germany	»	3,060
Samuel Livermore	La Spezia	26 »	United States	»	8,183
Ward Hunt	Genoa	27 »	»	»	7,888
Lou Gehrig (3)	Piombino	» »	»	»	4,463
Sidney Wright	Venice	» »	»	»	8,378
Joseph A. Brown	»	» »	»	»	8,400
George Sherwood	»	» »	»	»	8,163

Declassified E.O. 12356 Section 3.3/NND No. 785020

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Arsia	Bagnoli	23 Sept.	It. Program	Minerals	1,000
Paul David Jones (1)	Torre Annunziata	» »	UNRRA	Cereals	4,320
Pertusola	Genoa	25 »	It. Program	Minerals	2,131
A. Contarini	La Spezia	» »	» »	»	2,000
Carlo Zeno	Ancona	» »	» »	»	2,100
George Dewey (2)	Genoa	26 »	UNRRA	General	2,110
Fort Chesterfield	»	27 »	Commercial	»	5,440
Frederick Banting	»	» »	»	Raw Cotton	4,122
Carrier Dove	»	» »	UNRRA & Comm'l.	General	7,800
Flora Nomicou	Venice	» »	It. Program.	Minerals	3,200
Alberto Gianpaolo	Genoa	29 »	» »	»	—

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Lou Gehrig (3)	Piombino	» »	»	»	4,463
Sidney Wright	Venice	» »	»	»	8,378
Joseph A. Brown	»	» »	»	»	8,400
George Sharswood	»	» »	»	»	8,163
Lugano	Genoa	28 »	»	»	7,828
Thomas Nelson	»	» »	»	»	9,020

NOTE: (1) Also discharged at Bagnoli; (2) Also discharged at Savona; (3) Also discharged at Civitavecchia.

921

Declassified E.O. 12356 Section 3.3/NND No. 785020

Continued from page 4.

UNRRA COTTON PLANS

to be on sale to low-income groups. In broad principle, it is UNRRA's view that these low-price goods should be allocated for sale to clearly defined population groups; and that there should be some form of ration card, indicating what each holder may buy and the period for which the card is valid.

UNRRA is, further, of the view that these low-price UNRRA goods should have some unobtrusive distinguishing mark (like the official mark on "utility" goods on sale in Great Britain) and that prices should be standardized throughout the country. While recommending that distribution should be through the normal trade channels, the Italy Mission considers that some limitation is desirable on the number of wholesalers and retailers handling these UNRRA goods. It is also the Mission's view that distribution, instead of being at all times dispersed in large numbers of small consignments throughout the country, should, in the first instance, be concentrated in the most populous centres and should then be extended region by region.

COMMODITY PRICES AGREED

Prices of UNRRA-imported basic slag and pig tin have been fixed as follows by the Joint Price Committee, in accordance with Article III (d) (iii) of the Supplementary Agreement of 19 January, 1946, between the Italian Government and the UNRRA Italy Mission.

Basic Slag:

11,000 Lire per ton net weight, sacks included, f.o.b. Consorzio warehouse.

Pig tin:

600 lire per kilogram ex-seller's warehouse. Price valid to 31 December, 1946. Limited to amount of tin used within the period.

"ECONOMIC SURVEY" SUPPLEMENT

The publication of Section 2 of the Supplement on Prices, Cost of Living and Wages has been delayed, so that the latest official data may be included. No supplement is, therefore, published in this week's issue of Economic Notes.

Declassified E.O. 12356 Section 3.3/NND No. 785020

September 20, 1946 Vol. I, No. 36

ECONOMIC NOTES

— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolò da Tolentino, 78, Rome —

CONTENTS

1. Lower Canning Costs
2. Seed Wheat for Dollars
3. Welfare Conferences in the North
4. Commodity Prices
5. Movements of Ships

LOWER CANNING COSTS

Increased output of canned food products at prices substantially lower than at present is expected to result from plans now under review for the rehabilitation of Italy's tinplate industry. In conjunction with the Italian Government and manufacturing representatives, UNRRA has completed a survey of the food processing industry. Italy's requirements of industrial raw materials have been examined, and recommendations have been put forward with the object of lowering the costs of tinplate production in relation to the price of tinned food.

The processing of fruit, vegetables and fish used to form an important part of Italy's food industry, in respect both of the home and export markets. With the stoppage of tinplate and fuel imports, not only did the canning industry suffer, but also the producers, who lost a valuable market for a large proportion of their output.

Pre-war Tinplate Production

In the period 1936-1940 inclusive, Italian production of tinplate had reached a yearly average of 142,000 tons of thin sheet, and 48,000 tons of tinplate. Pre-war, prices of cans (in lire values adjusted to 1946 levels—i.e. 225 lire to one dollar) ranged from approximately 2.782 lire for a 500 gram container to 22.05 lire for a 5,000 gram container. The retail price of the canned product was 61.8 lire for a 500 gram tin of jam and 816.25 lire

economically unsatisfactory. Small quantities of tinplate are being manufactured at prices ranging from 130 to 160 lire per kilogram—at which level, canning costs are so high in relation to the commodity itself as to put prices beyond the average consumer's reach.

Comparative Price Figures

Comparative cost percentages show how the situation has worsened as a result of shortages of raw material. Before the war, the tinplate cost factor used to represent about 10 per cent. of the sale price of a kilogram (2 ¼ lbs.) tin of tomato paste: at present, it represents 25 per cent (calculating the cost of tinplate at 150 lire per kilogram). Similar percentages were: for a half-kilogram (about 1 lb.) tin of jam, 4.5 per cent., as against the present 15 per cent.; for a 1.2 kilogram tin of fruit syrup 6.5 per cent. as against 19 per cent.

Several factors are responsible. Many of them reflect the difficulties besetting industrial resumption throughout the steel industry. With the virtual disappearance of normal supply sources, tinplate producers have been forced to buy on the "free" or "black" market. Owing to the demand for tinplate, even at present prices, the tinplate production department in many plants has been put into operation more quickly than others. This has meant that a single department has had to carry a disproportionate rate of overhead expenses, due to the large amount of redundant labour

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Sporadic attempts to restart the canning industry since the end of the war have been economically unsatisfactory. Small quantities of tinplate are being manufactured at prices ranging from 130 to 160 lire per kilogram—at which level, canning costs are so high in relation to the commodity itself as to put prices beyond the average consumer's reach.

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Dependent on irregular and un-coordinated deliveries of raw material, plants producing

Declassified E.O. 12356 Section 3.3/NND No. 765020

tinplate have been working intermittently, and production costs have risen abnormally in consequence.

The UNRRA Italy Mission has assessed Italy's 1946 requirements of tinplate for domestic consumption at 21,100 tons, the greater part of which is required in the last quarter of the current year. This quantity should provide containers for approximately 325,000 tons of food products, to be allocated as follows:—

Commodity	Tons of Tinplate	Per cent.
Vegetables and Fruit	14,770	70.000
Fish Canning	3,693	17.500
Milk	1,055	5.000
Meat	633	3.000
Olive Oil	396	1.875
Processing on account of merchants	527	2.500
Reserve	26	.125
	21,100	100.000

UNRRA's contribution towards this total of 21,000 tons of tinplate is estimated at 4,000 tons, of which about 500 tons have arrived and a further 240 are on their way. The Italian Government has arranged for further tinplate imports through normal commercial channels. These direct Government imports will be allocated to plants canning food for export, and thus will not affect the tonnage required for domestic consumption.

UNRRA Allocations

Under the terms of a production plan, which has been drawn up for the last months of 1946, the UNRRA Italy Mission has recommended specific allocations of UNRRA-imported raw materials, to be made by the Italian authorities, to yield an estimated 12,600 tons of tinplate and 5,000 tons of black-sheet.

This plan will require the following quantities of UNRRA-imported supplies: 6,700 tons of pig-iron; 252 tons of tin; 6,475 tons of Ruhr coal, or 22,000 tons of soft coal; and 126 tons of palm-oil. If palm-oil is not available and substitutes are necessary, quantities may have to be doubled. Coal may be saved where plants have been converted to lignite.

Extensive field surveys carried out by the UNRRA Mission have indicated that, if raw materials are made available, basic production costs, exclusive of any profit, should average not much more than 70 lire per kilogram. On the basis of these surveys, prices (f.o.b. sellers' warehouse) of UNRRA-imported tinplate have been fixed by the Joint-Price Committee at 100 lire per kilogram. It is hoped local manufacturers will also be able to produce on an economic basis within a price nearly equal to 100 lire.

Rehabilitation of the Italian tinplate industry will not only increase supplies of food available in Italy, and give work to unemployed, but—once Italy is able to procure her own raw material imports—will also help towards the revival of export trade.

SEED WHEAT FOR DOLLARS

Negotiations are now being completed between the Italian Government and the UNRRA Italy Mission (Local Resources Division) for the sale by Italy of surplus seed wheat to Greece and Yugoslavia. The estimated target figure is 10,000 tons, of which it is expected about 8,750 tons will be sent to Greece. The wheat will be shipped not later than the first week in October.

Under the terms of the sale, Italy will receive a bonus of 36 dollars (£9 sterling) for every ton of seed wheat delivered for shipment to Greece and Yugoslavia. Italy will thus acquire much needed foreign exchange. All the seed wheat exported will be replaced ton for ton by milling wheat—and replacement stocks are, in fact, already in the country. Furthermore, by a decision reached this week, internal handling and transport charges (as well as the price differential in excess of the 36 dollar per ton bonus) are to be met by a contribution from the Lire Fund, the special fund derived from the sale in Italy of UNRRA-imported goods delivered free of charge to the Italian Government.

Surplus only to be Exported

The wheat to be exported is surplus to Italy's own requirements for seed. It consists of selected varieties (with a guaranteed minimum purity of 95 per cent and

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Extensive field surveys carried out by the UNRRA Italy Mission suggest that, provided the raw material requirements are met by allocations at fixed prices now prevailing, and that relatively small quantities of Ruhr coal are of these surveys, prices (f.o.b. sellers' warehouse) of UNRRA-imported tinplate have been fixed by the Joint-Price Committee at 100 lire per kilogram. It is hoped local manufacturers will also be able to produce on an economic basis within a price nearly equal to 100 lire.

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Surplus only to be Exported

The wheat to be exported is surplus to Italy's own requirements for seed. It consists of selected varieties (with a guaranteed minimum purity of 95 per cent. and a minimum germination of 85 per cent.) for which growers are entitled to receive prices 20 per cent. higher than those paid for ordinary milling wheat delivered to the ammassi.

1169
Declassified E.O. 12356 Section 3.3/NND No. 785020

Originally, it was hoped that Italy might have had substantially larger quantities of seed wheat available for export, but the Italian Government has stated that 10,000 tons is the maximum surplus.

The milling wheat to be delivered to the ammassi, in exchange for the seed wheat which is to be exported, will be treated purely as replacement stock. The UNRRA Italy Mission has given assurances to the Italian Government that exports of surplus seed grain will not result in any reduction of Italy's stocks of milling wheat, and that replacement stocks will not affect the general allocations of wheat for milling purposes imported into the country.

WELFARE CONFERENCES IN THE NORTH

A three-weeks' Convention of Social Workers, jointly sponsored by the Ministry of Post-War Assistance, the Italian Government Delegation for Relations with UNRRA and the UNRRA Lombardy Regional Office (Welfare Branch), is now being held at Tremezzo (Lake Como). The Convention opened on 15 September and will continue until 6 October.

The Convention has been organized by two committees, executive and academic, representing all the main Italian welfare agencies, as well as the Pontifical Relief Commission, the Italian Red Cross, both the Catholic and the State Universities of Milan, the Milan Camera del Lavoro, the Labour Accident Institute and the Industrial Association.

With "Social Welfare in a Changing World" as its theme, the Convention is devoting one week's discussion to each of the following: Social Service, Social Insurance and Labour Legislation; Child Welfare; and Post-War Problems. The lectures will be delivered by Italian social service workers and members of the UNRRA Italy Mission, both from Headquarters in Rome and from the Regions.

Nutrition Experts Meet in Milan

for Relations with UNRRA and the UNRRA Italy Mission. A further conference on similar lines is to be held in Turin from 29 September to 3 October.

Members of the Universities of Milan and Pavia, Ministry representatives, health officers, directors of hospitals and welfare organizations discussed a wide program of subjects, ranging from domestic science and child feeding to "Good Nutrition at a Minimum Cost." At the end of each day's session there were practical demonstrations on the handling of dairy and vegetable products. The last day of the conference was devoted to nutritional problems directly affecting industrial workers—and, therefore, of vital importance to factory workers in Northern Italy.

A two-days' food demonstration for the general public has been arranged to follow the conference. This experiment, the first to be sponsored by the UNRRA Welfare Division since the beginning of its activities in Italy, has been planned in conjunction with the Italian authorities. The care and use of dried milk, dried eggs and dried soup is being practically demonstrated in three or four large kitchens put at the disposal of the conference by the Milan municipal authorities.

COMMODITY PRICES

The following is a classified list of commodity prices already fixed by the Joint Price Committee (as notified in previous issues of *Economic Notes*). This list does *not* include those commodities (mostly farm machinery and other agricultural supplies) the prices of which were fixed by the Committee for a limited period of time, which has now expired.

AGRICULTURAL

Ammonium nitrate base 31/35 %:

2,400 lire per quintal ex Consorzio warehouse. (Original weight including packing.)

Cotton seed cakes:

1,000 lire per quintal, f.o.b. feed-mixing plants.

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Nutrition Experts Meet in Milan

A four-days' Nutrition Conference in Milan this week was attended by 350 Public Health nurses from many parts of Northern Italy, and a number of leading Italian experts. The conference was held under the auspices of High Commissariat for Hygiene and Public Health, the Italian Government Delegation to 3 October.

Members of the Universities of Milan and Pavia, Ministry representatives, health officers, directors of hospitals and welfare organizations discussed a wide program of subjects, ranging from domestic science and child feeding to "Good Nutrition at a Minimum Cost." At the end of each day's session there were practical demonstrations on the handling of dairy and vegetable products. The last day of the conference was devoted to nutritional problems directly affecting industrial workers—and, therefore, of vital importance to factory workers in Northern Italy.

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Cotton seed cakes:

1,000 lire per quintal, f.o.b. feed-mixing plants.

Flax seed:

5,500 lire per quintal to farmers.

Forage pea seed:

Present price of 25,000 lire per metric ton confirmed and extended to 15 September, 1946. To be re-examined by the Joint Price Committee this week.

Declassified E.O. 12356 Section 3.3/NND No. 765020

Forage seed corn:

25,000 lire per ton f.o.b. Provincial Consorzi Agrari warehouses. (Sales limited to *bona fide* farmers.)

Seed potatoes:

2,050 lire per quintal c.i.f. to Federazione Consorzi Agrari (excluding handling costs).
3,250 lire per quintal to farmers. (This price includes all handling and distribution charges.)

Sudan grass:

4,000 lire per quintal ex Consorzio warehouse. (Original weight including packing.)

Three-bottom ploughs:

80,000 lire each, ex consignee's warehouse.

Two-bottom ploughs:

Present price of 55,000 lire each f.o.b. Consorzio Agrario warehouse, fixed in Price Decision No. 3, is confirmed and extended indefinitely.

Vetch seed:

45,000 lire per ton f.o.b. Provincial Consorzi Agrari warehouses. (Sales limited to *bona fide* farmers.)

Industrial

Anthracite for electrodes:

5,250 lire per ton at port. (Price fixed on 22 July, to be re-examined in three months' time.)

Benzol:

Benzol Industrial - 55 lire per kg. f.o.b. tanks.
Benzol Nitration - 60 lire per kg. f.o.b. tanks, in bulk.

Coal:

2,600 lire per ton c.i.f. to public utilities (excluding handling costs).
3,500 lire per ton c.i.f. to manufacturers (excluding handling costs).

Opencast Coal:

2,450 lire per ton at port.

Colophony:

100 lire per kg. ex consignee's warehouse. (Net weight including packing.)

Corn Syrup:

For industrial purposes: 50 lire per kg. ex consignee's warehouse.
For direct food consumption with controlled distribution: 35 lire per kg.
Prices valid to 30 November, 1946.

Cotton goods (made for hospitals—imported on 1945 program):

Denaturated alcohol:

200 lire per litre ex consignee's warehouse (drums free).

Petroleum coke:

4,375 lire per ton at port. (Price fixed on 2 August, to be re-examined in three months.)

Rubber:

MS/I Standard quality (crude) 200 lire per kg. ex consignee's warehouse.

Tinplate:

(a) 190 lire per kg. f.o.b. seller's warehouse.
(b) 45 lire per kg. to canning manufacturers. (This price is limited to the 800 tons being imported for the preservation of fish.)

Toluol:

75 lire per kg. f.o.b. tanks, in bulk.

Petroleum Products

Gasoline: House Brand (Motor vehicle use)	27	lire per litre
Kerosene	28.50	lire per kg.
Diesel oil	21	lire per litre
Fuel oil	8	lire per kg.

Retail price

Medical

Insulin:

vials of	100 units	5cc	12	lire each
,, ,,	100 ,,	10 ,,	18	,, ,,
,, ,,	200 ,,	5 ,,	18	,, ,,
,, ,,	200 ,,	10 ,,	23	,, ,,
,, ,,	400 ,,	5 ,,	29	,, ,,
,, ,,	400 ,,	10 ,,	35	,, ,,
,, ,,	800 ,,	12 ,,	58	,, ,,

Retail price to consumers

Penicillin:

235	lire per 100,000 unit vial	Price to consumers
450	,, ,, 200,000 ,, ,,	

General

Trailers:

One ton cargo, two wheels with tyres, 55,000 lire each ex Distribution Centres.

"ECONOMIC SURVEY,, SUPPLEMENT

No supplement is published with this week's Economic Notes. *The supplement to be published with next week's* Economic Notes *(No. 38 of 28 September) will deal with Labour*

Declassified E.O. 12356 Section 3.3/NND No. 785020

3,250 lire per quintal to farmers. (This price includes all handling and distribution charges.)

Sudan grass:

4,000 lire per quintal ex Consorzio warehouse. (Original weight including packing.)

Three-bottom ploughs:

80,000 lire each, ex consignee's warehouse.

Two-bottom ploughs:

Present price of 55,000 lire each f.o.b. Consorzio Agrario warehouse, fixed in Price Decision No. 3, is confirmed and extended indefinitely.

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45,000 lire per ton f.o.b. Provincial Consorzi Agrari warehouses. (Sales limited to *bona fide* farmers.)

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Benzol:

Benzol Industrial - 55 lire per kg. f.o.b. tanks.
Benzol Nitration - 60 lire per kg. f.o.b. tanks, in bulk.

Coal:

2,600 lire per ton c.i.f. to public utilities (excluding handling costs).
3,500 lire per ton c.i.f. to manufacturers (excluding handling costs).

Opencast Coal:

2,450 lire per ton at port.

Colophony:

100 lire per kg. ex consignee's warehouse. (Net weight including packing.)

Corn Syrup:

For industrial purposes: 50 lire per kg. ex consignee's warehouse.
For direct food consumption with controlled distribution: 35 lire per kg.
Prices valid to 30 November, 1946.

Cotton goods (made for hospitals—imported on 1945 program):

Sheeting for sheets and pillow-cases: 70 lire per sq. metre. (Retail price to consumer.)
Towelling: 75 lire per sq. metre. (Retail price to consumer.)
Material for diapers and napkins: 60 lire per sq. metre. (Retail price to consumer.)

Rubber:

MS/I Standard quality (crude) 200 lire per kg. ex consignee's warehouse.

Tinplate:

(a) 160 lire per kg. f.o.b. seller's warehouse.
(b) 45 lire per kg. to canning manufacturers. (This price is limited to the 300 tons being imported for the preservation of fish.)

Toluol:

75 lire per kg. f.o.b. tanks, in bulk.

Petroleum Products

Gasoline: House Brand (Motor vehicle use)	27	lire per litre
Kerosene	28.50	lire per kg.
Diesel oil	21	lire per litre
Fuel oil	8	lire per kg.

} Retail price

Medical

Insulin:

vials of	100	units	5cc	12 lire each
,, ,,	160	,,	10 ,,	18 ,, ,,
,, ,,	200	,,	5 ,,	18 ,, ,,
,, ,,	200	,,	10 ,,	23 ,, ,,
,, ,,	400	,,	5 ,,	20 ,, ,,
,, ,,	400	,,	10 ,,	35 ,, ,,
,, ,,	800	,,	12 ,,	58 ,, ,,

} Retail price to consumers

Penicillin:

235 lire per 100,000 unit vial
450 ,, ,, 200,000 ,, ,,

} Price to consumers

General

Trailers:

One ton cargo, two wheels with tyres, 55,000 lire each ex Distribution Centres.

"ECONOMIC SURVEY,, SUPPLEMENT

No supplement is published with this week's Economic Notes. *The supplement to be published with next week's* Economic Notes *(No. 37, 27 September) will deal with Labour and the Standard of Living in Italy. A supplement will be included in Issue No. 38 (4 October) on the subject of Italy's Foreign Trade.*

Declassified E.O. 12356 Section 3.3/NND No. 785020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(SEPTEMBER 9 - 15 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Arlie Clark (1)	Genoa	6 September	UNRRA	General	77
Empire Eden	»	9 »	»	Textiles	1,100
Apollo	La Spezia	» »	It. Program	Phospates	5,500
Empire Falcon	Catania	» »	UNRRA	Barley	4,627
Cape Lookout	Genoa	11 »	»	General	559
Fernebo	Naples	» »	Commercial	Textiles	876
Explorer	Genoa	» »	UNRRA	General	1,884
Taygetos	»	12 »	Commercial	Copra	5,400
St. Gotthard	»	13 »	Swiss	Cereals	7,500
Eugene Field	»	» »	Commercial	General	6,200
Bothnia	»	» »	UNRRA	»	1,200
Fort Island	Naples	» »	»	»	1,039
John Laurance	Venice	» »	Commercial	»	5,831
Itu	Piombino	15 »	It. Program.	Minerals	2,000

NOTE: (1) Advice received too late for inclusion in last week's shipping list.

LATEST COAL SHIPMENTS

(SEPTEMBER 9 - 15 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Anna Marcou (1)	Savona	6 September	Turkey	Swiss	3,398
Tynemouth (1)	Genoa	7 »	Holland	UNRRA	4,220
Ivan Topic	Savona	9 »	Yugoslavia	Commercial	7,280
William T. Barry	Venice	» »	United States	UNRRA	8,210
	Ancona	13 »			
Beaconsfield	Bari	9 »	South Africa	»	8,051
	Taranto	12 »			
Agios Vlasios	Savona	10 »	Turkey	Swiss	4,121
Philippa	Genoa	» »	United States	UNRRA	8,457
Hartbridge	»	» »	Germany	»	7,800
Stanburn	Civitavecchia	» »	»	»	3,320
Edera	Venice	» »	»	»	7,655
Flagstaff Victory	»	» »	United States	»	8,287
Israel Putnam	Catania	» »	»	»	8,287
	Reggio Calabria	13 »			
Collis P. Huntington	Genoa	11 »	»	»	8,739
Adelphi Victory	»	» »	»	»	9,176
	Leghorn	15 »			
Niels Poulson	Genoa	11 »	»	»	8,741
	Leghorn	14 »			
Lorato Taft	Civitavecchia	11 »	»	»	8,849
Francis C. Harrington	La Spezia	» »	»	»	8,433
Elijah White	Savona	13 »	Bahrein	It. Program	9,026
Alexander S. Clay	»	» »	United States	UNRRA	8,469
F. T. Frelinghuysen	Genoa	» »	»	»	8,633
Nailsea Moor	Bari	» »	South Africa	»	8,196
Webb Miller (2)	Ancona	» »	United States	»	4,500
Robert Ellis Lewis	Genoa	14 »	»	»	8,592

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Eugene Field	»	» »	Commercial	General	6,200
Bothnia	»	» »	UNRRA	»	1,200
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John Laurance	Venice	» »	Commercial	»	5,831
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Nailsea Moor	Bari	» »	South Africa	»	8,196
Webb Miller (2)	Ancona	» »	United States	»	4,500
Robert Ellis Lewis	Genoa	14 »	»	»	8,592
George H. Dern	Brindisi	» »	»	»	8,474
George Matthews	Civitavecchia	15 »	»	»	8,581
Walker D. Hines	Bagnoli	» »	»	»	9,167

NOTE: (1) Advice received too late for inclusion in last week's shipping list; — (2) Also discharged at Venice.

919

Declassified E.O. 12356 Section 3.3/NND No. 765020

September 13, 1946 Vol. I. No. 35

ECONOMIC NOTES

— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolò da Tolentino 78, Rome —

CONTENTS

1. UNRRA Helps Italian Agriculture
2. UNRRA Textile Committee at Work
3. Commodity Prices
4. UNRRA Imports in August
5. Movements of Ships

UNRRA HELPS ITALIAN AGRICULTURE

A revised budget for UNRRA agricultural aid to Italy has now been agreed between the Italian Government and the UNRRA Italy Mission. The sum of 29,500,000 dollars (£7,375,000 sterling), originally allocated to Italy's agricultural needs has, in the light of subsequent developments, been reduced to 22,500,000 dollars (£5,625,000 sterling). If the alterations planned can all be put into effect, an estimated 7,000,000 dollars (£1,750,000 sterling) will be released for other requirements of the Italian program.

Some of the items budgeted for agricultural rehabilitation have already been imported; others have been procured and await shipment, and the balance still to be acquired depends on world availability. Should items prove to be unobtainable, the funds so released will be used for the purchase of other commodities required for the Italian economy. In any case, therefore, the total funds definitely allocated to Italy will be unaffected.

Fertilizers, Seeds and Pesticides

Fertilizers, seeds and pesticides are the main items on the new budget, where they account for 8,000,000 dollars, 4,000,000 dollars and 3,000,000 dollars respectively. Italy's soil fertility has suffered heavy deterioration through six years of enforced neglect. The havoc caused in the battle areas, during months of fighting, with farmers driven off or deported, livestock plundered, and farmsteads destroyed,

arrived), plus an additional 20,000 metric tons (in terms of nitrogen) of nitrogenous fertilizer and 5,000 metric tons of potash. Originally, it included also 10,000 metric tons of superphosphate, but as this was not immediately available, it has been replaced by basic slag, 5,400 tons of which have already arrived.

New and Better Crops

A two-fold policy has been adopted in regard to seed requirements. In the first place, deterioration of the local seed has reacted on both the quality and quantity of the yield—with potatoes, for instance. Hence has arisen the need for renewing normal imports of selected and vigorous seed. Secondly, improved varieties and newer crops have been planned, to permit of more effective use of crop land, and to secure greater total production of food and animal fodder.

The seeds, which the UNRRA Italy Mission is now endeavouring to procure, comprise grains, field seeds, grasses and vegetable seeds. The grains include 4,000 tons of barley, corn, oats and rye. Italy used normally to import oat and barley seed from Denmark, because of their early maturity and high productive qualities, as compared with local varieties. Rye seed used to be purchased from Germany and Austria.

Pasture Improvement

Declassified E.O. 12356 Section 3.3/NND No. 765020

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The fertilizer program calls for 21,700 metric tons of ammonium nitrate (which have already arrived), plus an additional 20,000 metric tons (in terms of nitrogen) of nitrogenous fertilizer and 5,000 metric tons of potash. Originally, it included also 10,000 metric tons of superphosphate, but as this was not immediately available, it has been replaced by basic slag, 5,400 tons of which have already arrived.

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Pasture Improvement

The total requirements of field seeds and grass seed amount to over 3,600 tons. They are essential for the improvement of Italian

918

Declassified E.O. 12356 Section 3.3/NND No. 765020

pastures, which in many cases have been injured by drought and over-grazing. If supplies are procurable, use will be made of lespedeza, a legume hitherto unknown in Italy. Planted especially on poor soil, it is suitable as a soil-builder and to prevent erosion (and, therefore, may be of great importance in many parts of Italy). It is suitable also as a pasture mixture. Lespedeza has already proved of value in the United States.

The program includes 28,000 tons of potatoes, 10,000 tons of which were imported for last spring's seeding. The balance of the UNRRA program calls for 15,000 tons from the United Kingdom and 3,000 tons of suitable German varieties to be procured in Czechoslovakia, if available. Italy has in past years imported as much as 80,000 to 90,000 tons of seed potatoes to renew domestic seed.

Stoppage of flax-seed imports (which Italy used to procure from Holland because of the Dutch variety's high-quality fibre production) has lowered the standard of domestically produced fibre. In view of the industrial and agricultural importance of this crop, UNRRA plans to import a total of 300 tons of flax seed.

To Combat Vine Diseases

Under pesticides come 10,000 tons of copper sulphate, a vital factor in combating vine plant diseases, 4,000 tons of blister copper, to produce copper sulphate, and also 500 tons of crude white oil, which is needed for the manufacture of appropriate oil sprays for use in the autumn and winter against exceptionally severe infestations, particularly in connection with the citrus crop in Campania, Liguria, Apulia, Calabria and Sicily.

Included in the pesticides are 300 tons of pyrethrum flowers, a substitute for nicotine products, which is used against fruit crop pests, and also as a livestock spray against flies.

A further item in the pesticide program is 25 tons of the new product, gammexane, which was the most successful of the sprays used in the campaign against the Sardinia grasshopper plague—a campaign which saved more than 90 per cent. of the island's wheat crop.

UNRRA TEXTILE COMMITTEE AT WORK

Policy in regard to the manufacture in Italy of UNRRA-imported raw textiles and the disposal of the finished products to the Italian people has now been officially agreed by the Government, with the signature of the decree setting up the UNRRA-Tessili (UNNRA-Textile) Committee. The Committee has already begun work.

After referring to the agreements between the Italian Government and UNRRA signed in March, 1945, and January, 1946, the decree states that a Committee is to formed "to carry into effect the relief and rehabilitation program agreed to between the Italian Government and UNRRA . . . as regards the processing and distribution of textile fibres supplied by UNRRA to the Italian Government."

Committee Members

The Under-Secretary of State for Industry and Commerce will be the chairman of the Committee, and its other members will represent the State Council, the Court of Accounts, the Treasury, the Ministry of Post-War Assistance, the Ministry of Industry and Commerce, the Italian Government Delegation for Relations with UNRRA and the UNRRA Italy Mission.

The new decree constitutes Government recognition of the plan put forward by UNRRA to establish an official agency which will carry out the UNRRA textile program—even after the UNRRA Italy Mission has ceased its activities. It marks the successful conclusion of efforts which have involved important economic and social issues in Italy. The UNRRA-Tessili Committee, in co-operation with the UNRRA Italy Mission, will be responsible not only for the processing and distribution of cotton and wool supplies, but will also control UNRRA-imported hides.

Price Policy

The underlying object of this new approach to one of Italy's most complex economic

Declassified E.O. 12356 Section 3.3/NND No. 785020

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The food value of Italy's agricultural production is affected by the availability of imported raw materials required for industrial processing. Included in the budget are 4,000

Continued on page 6

disposal of the finished products to the Italian people has now been officially agreed by the Government, with the signature of the decree setting up the UNRRA-Tessili (UNNRA-Textile) Committee. The Committee has already begun work.

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Price Policy

The underlying object of this new approach to one of Italy's most complex economic problems is to ensure that the wool and cotton goods, manufactured from raw material imported into Italy by UNRRA in accordance with the 1946 relief and rehabilitation program, are available to consumers *in Italy* at prices within their reach.

Declassified E.O. 12356 Section 3.3/NND No. 785020

In this, the Italian Government and UNRRA are strictly complying with UNRRA Basic Resolution No. 7, which requires that "distribution [of relief and rehabilitation supplies] should be so conducted that all classes of the population, *irrespective of their purchasing power*, shall receive their equitable shares of essential commodities," and that "when supplies are sold to consumers, prices should be set at such levels as to facilitate the flow of supplies into the proper hands."

The "go-ahead" signal was given as long ago as May last, when the UNRRA Italy Mission formally recommended to the Government that:—

(a) UNRRA-imported cotton should be spun and woven on the Government's account—i.e. it should not be sold to cotton manufacturers.
(b) This processing operation was to be financed through a loan from the UNRRA Lire Fund.
(c) Finished goods should be distributed free to the destitute, and at subsidized prices to the low-income classes of the Italian population.

Cotton Agreement

After long and difficult negotiations, of necessity delayed during the election period, the North Italy Sub-Commission was able, at the end of July, to secure an agreement with the cotton manufacturers for the spinning and weaving of 31,000 tons of UNRRA cotton, at an average production cost of about 245 lire per kilogram. [Details of this agreement were published in *Economic Notes* No. 30, of 9 August.]

Similar discussions are now proceeding with the woollen industry, with which it is expected to secure an agreement on the lines of that reached with the cotton industry. As with cotton goods, the broad plan is to distribute about one-third of the finished woollen goods free to the neediest sections of the community, and to sell the remainder at reasonable prices to the low-income groups.

UNRRA's program in Italy calls for the delivery of some 41,000 tons of greasy wool, valued at 22,500,000 dollars (£5,625,000 [illegible] 11,000 tons of wool rags, valued

delivered approximately 34,000 tons of the 35,000 tons of the raw cotton in its program. Cotton deliveries are thus virtually complete.

The amounts of textile raw material included in the UNRRA program were fixed after a very thorough examination of the actual needs of the Italian population at the close of five years of war and German occupation. At the same time it was intended to put the Italian textile industry (almost unaffected by the war in its main centres of Northern Italy) in a position to obtain reasonable returns from the production of finished goods for the domestic market.

Export Trade

In the absence of any control over distribution, there is evidence that a considerable part of the 44,000 tons of cotton and the 6,000 tons of wool imported into Italy under the military and F.E.A. (Foreign Economic Administration) plans, were used for the export trade rather than for the home market. Since the liberation of the North in May last year, the cotton textile industry has concentrated upon export to such an extent that, while the cotton spinning mills have been in full production for the export trade, orders for the home market have been accepted only at the highest prices.

At least 70 per cent. of the output of the cotton spinning mills is being sold abroad—either directly, or through foreign wholesalers or weavers (often on the so-called "lavorazioni per conto" system, under which mills receive further supplies of raw cotton in payment for work done).

On the other hand, the weavers are working at a reduced rate for the foreign trade; and a substantial margin of the industry's capacity is still available to produce for the home market.

Margin for Domestic Needs

It is fully recognized that the textile export trade may be one of the largest sources of free currency available to Italy, to meet essential foreign exchange requirements. UNRRA's [illegible]

Declassified E.O. 12356 Section 3.3/NND No. 765020

[illegible] should be so conducted that all classes of the population, *irrespective of their purchasing power*, shall receive their equitable shares of essential commodities," and that "when supplies are sold to consumers, prices should be set at such levels as to facilitate the flow of supplies into the proper hands."

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UNRRA's program in Italy calls for the delivery of some 41,000 tons of greasy wool, valued at 22,500,000 dollars (£5,625,000 sterling) and 11,000 tons of wool rags, valued at 5,000,000 dollars (£1,250,000 sterling). Of these amounts approximately 11,500 tons have already been delivered, or are due to arrive shortly. Up to 15 August, UNRRA had [illegible] very thorough examination of the actual needs of the Italian population at the close of five years of war and German occupation. At the same time it was intended to put the Italian textile industry (almost unaffected by the war in its main centres of Northern Italy) in a position to obtain reasonable returns from the production of finished goods for the domestic market.

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Margin for Domestic Needs

It is fully recognized that the textile export trade may be one of the largest sources of free currency available to Italy, to meet essential foreign exchange requirements. UNRRA's program for the manufacture, and distribution to the Italian people, of UNRRA-imported wool and cotton is, therefore, expressly designed to avoid interference with this export trade.

Declassified E.O. 12356 Section 3.3/NND No. 765020

At no point in the course of the Government's negotiations with the Italian textile manufacturers was the question raised that prospective exports might be lost. Even on the most optimistic estimates of export possibilities, it is evident that a very comfortable margin of the industry's total productive capacity is still available to meet urgent domestic needs; and it is with this in mind that UNRRA and the Italian Government, through months of negotiation, have sought to reconcile the interests of exporters with the pressing needs of the Italian people.

COMMODITY PRICES

Gasoline is among the UNRRA-imported commodities for which prices have been fixed by the Joint Price Committee.

In accordance with Article III (d) (iii) of the Supplementary Agreement of 19 January, 1946, the Italian Government and the UNRRA Italy Mission have agreed to the following recommendations of the Joint Price Committee:—

Gasoline: House Brand (Motor vehicle use) . . .	27 lire per litre	Retail price
Kerosene	28.50 lire per kg.	
Diesel oil	24 lire per litre	
Fuel oil	8 lire per kg.	

All the above prices are effective as from 1 September, 1946.

Benzol:
Benzol Industrial - 55 lire per kg. f.o.b. tanks.
Benzol Nitration - 60 lire per kg. f.o.b. tanks, in bulk.

Toluol:
75 lire per kg. f.o.b. tanks, in bulk.

Tinplate:
100 lire per kg. f.o.b. seller's warehouse.

Opencast Coal:
2,450 lire per ton at port.

Three-bottom ploughs:
80,000 lire each, ex consignee's warehouse.

Two-bottom ploughs:
Present price of 55,000 lire each f.o.b. Consorzio Agrario warehouse, fixed in Price Decision No. 3, is confirmed and extended indefinitely.

UNRRA IMPORTS IN AUGUST

UNRRA imports for the rehabilitation of Italian industry and agriculture reached their peak during the month of August, states Mr. S. M. Keeny, Chief of the UNRRA Italy Mission. A total of 1,100,000 tons of supplies reached Italian ports in August, an average of five ships per day.

For the first time this year food imports formed a comparatively small percentage of UNRRA supplies, indicating increasing stress on rehabilitation aspects of UNRRA aid to Italy. Peak UNRRA arrivals were recorded in coal and in other industrial and agricultural rehabilitation supplies. Almost 900,000 tons of coal reached Italy, the highest monthly total since April arrivals of 670,000 tons. These increased coal shipments have made it possible to raise the level of coal allocations to factories, railroads and other essential consumers from 540,000 tons for August to 600,000 tons for September.

Stimulus for Italian Industry

"The revival of Italian industrial activity should receive a pronounced stimulus from the increasing arrivals of these vital supplies," Mr. Keeny said. "At the same time, crop conditions for cereals and sugar beet have been favourable and, if properly husbanded, these crops will ease the food situation somewhat. Although Italy's economic future is still unsettled, pending decisions now being made at Paris and the possibility of obtaining foreign loans—on the basis of present imports and crops, a sound reconstruction foundation is being laid."

Imports in August continued to demonstrate the international character of UNRRA assistance. Supplies arriving in Italy included coal and fertilizer from the United States, wool and industrial chemicals from the United Kingdom, copra from the Philippines, dried beans from Brazil, grain from Argentina, and coal from South Africa.

August tonnages in the major relief and rehabilitation categories included:—

	tons
Industrial Rehabilitation	1,018,021

Declassified E.O. 12356 Section 3.3/NND No. 765020

the most optimistic estimates of export possibilities, it is evident that a very comfortable margin of the industry's total productive capacity is still available to meet urgent domestic needs; and it is with this in mind that UNRRA and the Italian Government, through months of negotiation, have sought to reconcile the interests of exporters with the pressing needs of the Italian people.

COMMODITY PRICES

Gasoline is among the UNRRA-imported commodities for which prices have been fixed by the Joint Price Committee.

In accordance with Article III (d) (iii) of the Supplementary Agreement of 19 January, 1946, the Italian Government and the UNRRA Italy Mission have agreed to the following recommendations of the Joint Price Committee:—

Gasoline: House Brand (Motor vehicle use) . . .	27 lire per litre	Retail price
Kerosene . . .	28.50 lire per kg.	
Diesel oil	24 lire per litre	
Fuel oil	8 lire per kg.	

All the above prices are effective as from 1 September, 1946.

Benzol:
Benzol Industrial - 55 lire per kg. f.o.b. tanks.
Benzol Nitration - 60 lire per kg. f.o.b. tanks, in bulk.

Toluol:
75 lire per kg. f.o.b. tanks, in bulk.

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"ECONOMIC SURVEY,, SUPPLEMENT

No supplement is published with this week's issue of Economic Notes.

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August tonnages in the major relief and rehabilitation categories included:—

	tons
Industrial Rehabilitation	1,018,921
Agricultural Rehabilitation	3,769
Food, Feed, and Soap	60,946
Materials for Textiles, Clothing and Footwear	7,720
Medical Supplies	233

Declassified E.O. 12356 Section 3.3/NND No. 785020

MOVEMENTS OF SHIPS

CARGOES OTHER THAN COAL

(SEPTEMBER 1 - 7 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	ACCOUNT	CARGO	TONS
Gerarchia	Genoa	1 September	UNRRA	Cereals	7,959
Newberry Victory	»	2 »	UNRRA & Comm'l.	General	3,400
Capo Mele	»	» »	UNRRA	Cereals	4,700
Thomas Paine	»	» »	»	General	7,775
A. Th. Jonasson	»	» »	»	»	735
Mont Alta	Naples	» »	UNRRA (Greece-Italy)	»	3,095
Samuel H. Walker (1)	Brindisi	3 »	UNRRA	Wool	93
Exbrook	Naples	4 »	»	General	2,228
Merkland	Genoa	5 »	»	»	425
Ocean Glory	»	» »	»	Manganese	2,000
Kyklades	Venice	» »	UNRRA (Italy-Austria)	Cereals	8,500
Flora Nomicou	»	6 »	It. Program	Phospates	3,200
Celestial	»	» »	UNRRA	General	677
William Tyler	»	» »	»	Petroleum coke	8,283
Joseph Lykes (1)	Bari	7 »	»	General	5,900
Andrea Contarini	Brindisi	» »	It. Program.	Phospates	2,000

NOTE: (1) Also discharged at Trieste

LATEST COAL SHIPMENTS

(SEPTEMBER 1 - 8 INCLUSIVE)

SHIP	PORT OF ARRIVAL	DATE OF ARRIVAL	COUNTRY OF ORIGIN	ACCOUNT	TONS
Fort Buffalo	Savona	1 September	South Africa	UNRRA	8,500
James Duncan	»	» »	U. S. A.	»	8,858
David Lubin (1)	Leghorn	» »	»	»	4,500
Robert T. Paine (1)	Piombino	» »	»	»	4,600
William Carson	Venice	» »	»	»	8,413
Kerma	Savona	2 »	United Kingdom	»	5,500
Catawba Victory	»	3 »	U. S. A.	»	8,276
Panaghiotis	»	» »	Turkey	Swiss	5,803
Themistocles	»	» »	U. S. A.	UNRRA	8,663
Winona	»	» »	United Kingdom	»	2,201
John Bartram	Bagnoli	» »	U. S. A.	»	8,604
	Torre Annunziata	5 »	»	»	
Pierre Laclede	Bari	3 »	»	»	8,463
	Ancona	8 »	»	»	
William Leavitt	Messina	3 »	»	»	9,169
Franklin K. Lane	Catania	» »	»	»	8,347
	Reggio Calabria	7 »	»	»	
William K. Kamaka (2)	Ancona	3 »	»	»	5,000
Nathan Clifford	Genoa	4 »	»	»	8,863
	Leghorn	7 »	»	»	
Miguel de Larrinaga	Genoa	5 »	Germany	»	7,003
Henry Ward Beecher	»	» »	U. S. A.	»	8,221
Jared Ingersoll	La Spezia	» »	»	»	8,853
Cherca	Venice	» »	Germany	»	7,313
Casimir Pulaski (2)	Ancona	» »	U. S. A.	»	4,500
Hotanka	Savona	6 »	Turkey	Swiss	5,510

Declassified E.O. 12356 Section 3.3/NND No. 765020

(SEPTEMBER 1 - 7 INCLUSIVE)

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	Reggio Calabria	7 »	»	»	
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Bosanka	Savona	6 »	Turkey	Swiss	5,510
Beograd	»	» »	U. S. A	UNRRA	8,557
Charles N. Cole	Palermo	» »	»	»	9,011
John L. Elliott	Savona	7 »	»	»	9,215
Marshall Elliott	Civitavecchia	» »	»	»	8,278
Netherlands Victory	Bagnoli	8 »	»	»	8,534
Webb Miller	Venice	» »	»	»	8,633

NOTE: (1) Also discharged at Genoa — (2) Also discharged at Venice

917

Declassified E.O. 12356 Section 3.3/NND No. 765020

Continued from page 2

UNRRA HELPS ITALIAN AGRICULTURE

tons of tinplate, 2,700 tons of coir yarn and 150 tons of sealing compound. The actual minimum requirements of tinplate—needed to produce tins for preserving fresh fruit and vegetables—are estimated at a much higher figure. The budget program has had, however, to be cut down to 4,000 tons because of world shortages. Coir yarn is used in the manufacture of oil press pads for olive presses.

For the Italian fishing industry, which used to provide a considerable proportion of the country's food, UNRRA is attempting to supply 500 tons of coir yarn for making tuna traps and fish cord and 300 tons of linseed oil for the manufacture of paint for fishing craft.

Sacks for grain and other agricultural purposes are scheduled to be manufactured in Italy from 10,000 tons of raw jute to be imported by UNRRA from India.

A breeding stock program has been planned in view of the depletion of government breeding stations and failure to renew breeding stock during the war (see *Economic Notes* No. 30, of 9 August). The program envisages the import of 90 breeding bulls, 230 heifers, 120 boars, 70 sows, 74 mares and 61 stallions. Livestock food concentrates are represented by 9,000 tons of cotton seed cake, of which 5,000 tons have already been imported.

Farm Machinery Program

Farm machinery and veterinary supplies complete the program. Machinery contemplated in the original program could not be procured so quickly as had been expected. Meanwhile, the gradual improvement of Italy's own manufacturing possibilities caused a readjustment of policy in the direction of reducing imports of finished products. The machinery so far imported consists of mowers, combines, binders, reaper attachments, ploughs and considerable quantities of spare parts.

Declassified E.O. 12356 Section 3.3/NND No. 785020

September 14, 1946 Vol. III, No. 22

ALLIED COMMISSION

WEEKLY BULLETIN

PUBLISHED BY PUBLIC RELATIONS BRANCH, HEADQUARTERS, ALLIED COMMISSION, APO 794

POLITICAL

Settlement of the Venezia Giulia question continued to be the most burning problem faced by the Paris Conference during the past week. On 4 September, Czechoslovakia's Foreign Minister Jan Masaryk had supported Yugoslavia in its claim for Trieste. The Czechoslovakian Foreign Minister indicated that his country was much interested in a "peaceful and stable" port of Trieste and further inferred that this condition could be reached only if the port were under Yugoslav control.

On 5 September in the absence of Molotov, Andrei Vishinsky, Soviet Vice-Commisar for Foreign Affairs attacked vigorously the Italian claims on the territory and while asserting that the Soviet would continue to support the establishment of a Free Territory, this would be done only because of "political considerations". His words clearly expressed dissatisfaction with the arrangement and intimated according to the European edition of the *New York Herald Tribune* that Trieste should be given to Yugoslavia.

Stating that Yugoslavia has an "unquestionable right" to the port and town of Trieste, in the course of his speech he cited the plan was one with "a minimum of justice". But, according to *Tempo*, he added, "It would have been better to apply a maximum of justice. Naturally, in politics, two and two do not always make four. Sometimes they make five.

A great part of Vishinsky's speech as reported by the *Herald Tribune* was concerned with the declaration that Bonomi in his address on 2 September had falsified history. The Soviet representative dealt with the Italian fear that loss of the Istrian Peninsula would open the way for aggression by asking from what direction and from whom the aggression would originate. A

The same day Bonomi in reply to Vishinsky's speech stated to an ANSA correspondent that he had not publicly paid too much attention to remarks from a Yugoslav representative "inspired with unlimited passion for the rights of his race". He said, however, "that when the representative of a big power such as the Russian delegate Vishinsky, charges me with voicing Italian imperialism, then it is necessary to establish again, with the greatest soberness of words but also with utmost firmeness, the deeply offended truth". Continuing, Bonomi, pointed out that in 1920, Trumbic, the Yugoslav Foreign Minister, had declared to Clemenceau and Lloyd George that he accepted the Wilson line "because for seventeen centuries from the Roman epoch to the times of Venice, Arsa had always marked the frontier". Bonomi further declared that on 14 January 1920, the Yugoslav memorandum, an official document, ended with the statement that "The Italo-Yugoslav frontier determined by the Wilson line which descends from the Julian Alps to Arsa, is the only one complying with geographic, strategical and economic considerations".

Article 78.

A sardonically resigned note was introduced by Carlo Avarna di Gualtieri on 5 September, who, writing in *Indipendente*, quoted from Article 78 of the peace treaty: "The present treaty of which the French, English and Russian texts are official shall be ratified by Allied and Associated Powers. It must likewise be ratified by Italy. It will come into force immediately after the delivery of the ratification Acts from France, U. S. A., United Kingdom and U. S. S. R..." In reference to the last sentence the writer concluded that Italy might as well sign the treaty inasmuch as under the circumstances Italy would not be assuming [illegible] political responsibility.

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It was not, however, Vishinsky's attempt to assert Yugoslavia's "unquestionable right" to Trieste that drew most of the return blasts from the Italian press but a remark in which he is

Declassified E.O. 12356 Section 3.3/NND No. 765020

alleged to have asserted that "everybody knows that the Italians are better at running than at fighting and that they resemble the heroes of ancient Rome just as asses resemble lions".

On 7 September the Secretary General of the Italian Delegation sent the President of the Paris Conference Political Commission the following letter:

"Mr. President, the Italian Delegation read in the papers—as it was not able to obtain an official report—that at this Commission to which the Italian Delegation was admitted only to make some statements and from which it was then excluded, Mr. Vishinsky, Delegate of Russia, pronounced during a violent attack against Italy the following words: 'The Italian soldiers are better at fleeing than at fighting'. If the Italian Delegation had been present it would not have failed to reject most energetically this injurious insult and many others of the same kind. Being compelled to remain outside the Commission, the Italian Delegation expresses to you, Mr. President, its grievous astonishment at the fact that it should be possible to utter such words which have justly wounded the honor of all Italians who fought in the regular forces and in the forces of resistance".

Newspaper Comment.

Avanti made a mild reproof, writing that Vishinsky's harsh words were only the latest manifestation of bitter polemics. The paper went on to add that the Italian soldier had fought originally for a cause which was not his own. The paper further declared that speeches like that of Vishinsky's betrayed the Russian fear that Italy might become an instrument of the present or future enemies of the Soviet Union and added that such speeches only strengthen the political forces which are hostile to Soviet Russia.

Unità declared that "At this point Vishinsky, using hard words which perhaps went further than he really meant, said—according to ANSA—that when it was a question of fleeing, the Italians yielded to none." The comment of other newspapers was voluminous and in many cases, bitter.

In recognition of the increased pressure for settlement of the Venezia Giulia dispute in favour of Yugoslavia and the strong attempts being made to set aside agreements made by the Big Four Council of Ministers, the British Delegate Hector McNeil on 6 September warned the Paris territory is impaired, my government reserves the right to review not only the free territory agreement but also associated subjects", he declared. France also went along with Great Britain as French Delegate Maurice Couve de Murville declared his nation would insist on a free territory as the core of the whole solution.

Eight Nation Sub-Commission.

On 7 September Brazil proposed that the entire question of the disputed border be shelved for one year but this proposal was voted down overwhelmingly. Instead, on 10 September, the Political and Territorial Commission approved an eight-nation Sub-Commission to draft a statute for the Free City of Trieste. Originally a seven-nation commission was proposed. This would have been composed of Australia, Yugoslavia, the Netherlands and the Big Four. The Yugoslav representative requested that Poland be added to the group, "because of its experience with Danzig".

Ivanoe Bonomi sent a letter to the Political and Territorial Commission for Italy on 11 September, in which it was demanded that a plebiscite be held in Venezia Giulia to determine the boundary between Yugoslavia and Italy. The letter declared that the two nations seems to be in agreement on two points: 1) The frontier between the two countries should be drawn in accordance with the ethnic line and 2) This line should be determined by taking into consideration the will of the people in the disputed zone.

In this connection *Messaggero* remarked under the heading "Nationality and Racialism", that thanks to the request for a plebiscite, by the Italian Delegation at the Paris Conference, the Venezia Giulia question had been put back on a democratic basis, and hoped that the Paris Conference would accept this solution.

An agreement, hailed in the press as an example of two countries being able to solve their problems by direct negotiation was signed on 5 September by De Gasperi and Austrian Foreign Minister Dr. Karl Gruber. The agreement, announcement of which was made on 7 September, deals with the Alto Adige, and was considered an important step in the development of bi-lateral negotiation. Under the agreement, German-speaking inhabitants of this area were guaranteed complete equality of rights with the Italian population including the following: education in

Declassified E.O. 12356 Section 3.3/NND No. 785020

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In recognition of the increased pressure for settlement of the Venezia Giulia dispute in favour of Yugoslavia and the strong attempts being made to set aside agreements made by the Big Four Council of Ministers, the British Delegate Hector McNeil on 6 September warned the Paris Peace Conference that Great Britain would "reconsider the whole agreement", if the independence of Trieste were impaired. "If the statute is so weak that the independence of the free

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1190
Declassified E.O. 12356 Section 3.3/NND No. 785020

executive powers" were accorded Bolzano Province and the "neighboring bi-lingual townships of Trento Province". Article 3 of the agreement states that in order to establish good relations between Italy and Austria, the Italian Government undertakes (*a*) to revise equitably the citizen option question resulting from the Hitler-Mussolini agreement of 1939; (*b*) to reach an agreement for the reciprocal recognition of college degrees; (*c*) to conclude a convention for the free transit of persons and goods between Northern and Eastern Tyrol, both by railway and as far as possible by road; (*d*) to reach special agreements intended to facilitate greater frontier traffic and the exchange of local products.

Both De Gasperi and Gruber submitted the agreement to the Peace Conference with the request that it be included in the peace treaty "to confer on this agreement the seal of approval of the other nations concerned."

Favorable Reaction.

Reaction was favorable in nearly all q arters. *Messaggero*'s correspondent in Paris, Arrigo Jacchia wrote: "The direct Italian-Austrian agreement—the first genuine example of international cooperation—shows above all that whenever there exists an honest will for mutual understanding among the interested parties, an agreement is always possible". Considering the advantages connected with the direct method of negotiation the writer says: "All this might appear obvious, but if we take into account the remarkable impression that this news has aroused at the Luxembourg, we might think otherwise. The trouble is that in these circles the word 'imposition' still retains a great prestige. The fact that two adversaries are giving up the idea of fighting each other for the advantage of a third party is a motive of wonder and even of uneasiness here. In any case there is now a precedent. It is gratifying to see that the name of Italy is connected with it, while it is be regretted that it was impossible to obtain such a result with France and that there is no sign of such an understanding being possible with Yugoslavia".

United States Secretary of State Byrnes was quoted as saying in a letter to De Gasperi, "I welcome with satisfaction this development of the relations between the two states, which gives a

ferences between neighbors are now being laboriously considered at the Paris conference, and your example of direct negotiations and your friendly agreement with one of your neighbors, Austria, should serve as an example for the delegations gathered at Paris. Let me congratulate you for the happy outcome of the negotiations which you directed so wisely".

The domestic situation.

While Italy was struggling at Paris, domestically the situation was an enigma. The great question seemed to be "will there be or will there not be a crisis in the government." The question was still tied up with the general programme of the government or alleged lack of it but in the main it was epitomized in the resignation of Corbino as Minister of Treasury and in conjecture as to his successor.

At the meeting of the Council of Ministers on 5 September Nenni read a message from De Gasperi at Paris in which he said among other things: "It is not true that nothing can be done here. It is necessary to fight with energy and tenacity and not to let ourselves be discouraged by obstacles and failures. We know beforehand that improvements in the situation can only be slow. I do not intend to remain here more than required, but your support and the disciplined cooperation of the masses must not fail me." Nenni then proposed and the Council unanimously resolved to postpone until De Gasperi's return, any political discussion about Corbino's resignation.

But the press was not bound by the resolution. *Giornale della Sera* refused to see any personal element in the problem. It declared that the so-called crisis had not developed merely to place a new man in the office. It contended that the uproar was not directed against Corbino but was a "technique of panic", directed against the whole government, and called the technique undemocratic. *Risorgimento Liberale*, with some objectivity asserted that if the Communists intended to provoke discord in the Government through the use of "their well-known experience in the matter", they were only doing their jobs, but if the Christian Democrats who claimed to be most fit to fight totalitarian tactics tolerated these manoeuvres they were more responsible before the country than the Communists.

While it had been agreed that there should be

Declassified E.O. 12356 Section 3.3/NND No. 785020

citizen option question resulting from the Hitler-Mussolini agreement of 1939; (*b*) to reach an agreement for the reciprocal recognition of college degrees; (*c*) to conclude a convention for the free transit of persons and goods between Northern and Eastern Tyrol, both by railway and as far as possible by road; (*d*) to reach special agreements intended to facilitate greater frontier traffic and the exchange of local products.

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While it had been agreed that there should be no political discussion concerning Corbino's resignation, this applied only to the Council of Ministers. On 7 September the Direction of the Socialist Party held a meeting in which the entire situation

Declassified E.O. 12356 Section 3.3/NND No. 785020

was thrashed out. According to *Momento*, the Socialists were inclined to isolate Corbino's case although according to the same paper they wanted to take advantage of it in order to achieve a change in the governmental program which they believed had caused the resignation. In the matter of Italian Economy, Nenni is reported to have said: "We actually find ourselves in a period of war economy and it is necessary to carry out this war economy.... Only the State can do it.... and the Government should go back to the spirit of the orginal programme, that is it should resume a planned economy." Also according to *Momento*, the Secretary General of the Socialist Party Lombardo, then said that in his opinion the Government policy should be based on: (1) defense of the Lire as inflation was anti-social; (2) reduction of the cost of living by increasing rations, importing food, and compulsory rationing of clothing; (3) a drastic reduction of the living conditions of the priviledged classes; (4) emergency fiscal measures (extra-ordinary tax on patrimony, etc.); (5) reduction of non-indispensable consumption in order to increase exports; (6) programme of public works based on the actual availability of material and transport; (7) elimination of unemployment through increased production; (8) systematic and general inventory of all capital and consumer goods in order to coordinate the cycle of import-production-distribution-export; (9) control of production and delivery of products by some key industries such as the electric industry, iron, steel, chemicals, etc.

Socialist Policy.

Momento in addition stated that Lombardo further declared that in order to schieve this programme the Socialist Party should be the arbiter rather than the mediator of the political situation. As for relations with the Communists he said that the party should strive to find out those points on which the two parties could reach an agreement and as for the rest, the pact of unity of action should not affect the autonomy of the two parties.

At this point *Tempo* observed that although the Socialists seemed not to desire a crisis and also although the Communists seemed to have backed down from their apparent intention to force one, there was no guarantee that one would not take place. The paper contended that the Christian

Nicola on affairs at Paris he received Nenni, Saragat, Campilli and Corbino. The latter afterwards declared to journalists according to *Avanti*, that the president of the Council was dissatisfied with the situation but could do nothing but acknowledge his, Corbino's, decision. *Popolo* reported De Gasperi as having asked Corbino to remain at this post until the matter was thrashed out. At this time there was considerable speculation as to Corbino's successor. Prominently mentioned was Doctor Menichella, former President of IRI and present Director General of the Bank of Italy.

On the same day as De Gasperi's return, the Socialist Party Directorate and the Socialist parliamentary group issued a resolution with the intent of facing the current political situation. In addition to points already included in the Government's program the resolution called for: (1) Corbino's replacement and the merging of the Ministries of Treasury and Finance; (2) control of consumption with extended rationing; (3) severe sanctions against offenders of currency and foreign trade matters; (4) increased subsidies for unemployed; (5) return to normalcy of industrial production and (6) revision of basic wages. To this, *Buonsenso* commented that "actually the Socialists will be against Corbino but also against Scoccimarro to the great delight of the Christian Democrats".

Conferences.

On 10 September De Gasperi received Lombardo and the declaration passed by the Socialists was taken under consideration. After this conference he had an hour-long conversation with Togliatti. Following this meeting, Togliatti stated to journalists that "there was no difference which could not be overcome". He added however, in connection with the merging of the Ministries that, "I believe that the matter is not politically possible yet, because it would raise the problem of the equilibrium of the cabinet".

In the afternoon the Prime Minister received Dr. Menichella after which the latter denied to journalists that he had been offered the post of Minister of the Treasury. Most papers however expressed belief that De Gasperi had at least hinted at the possibility of the appointment and that Menichella asked for time to consider the matter.

Declassified E.O. 12356 Section 3.3/NND No. 785020

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De Gasperi returned to Rome on 9 September and immediately plunged into the domestic problems of the country. After reporting to De

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The same day De Gasperi received a delegation of the Socialist parliamentary group. The delegation was reported as informing the Prime Minister that they were not making the problem a matter of personalities and would accept any

Declassified E.O. 12356 Section 3.3/NND No. 785020

appointment as long as the program drawn by the Socialists could be applied. That night, De Gasperi stated to journalists that "the crisis is limited. I am concerned with finding the actual causes of the present financial and economic situation, that is, to ascertain if it is grave as reported. This explains why consultations are still going on. I am only relatively concerned with individuals".

At this point it was felt by most of the press that all parties were interested in limiting the crisis; that because the Paris Conference next week will start examining the economic clauses of the treaty De Gasperi would like to limit the matter to the appointment of an independent to the Ministry of the Treasury and that he would wish to postpone the merging of the Ministries of the Treasury and Finance to a more suitable occasion. The Communists seem to be in agreement but the Socialists evidently would prefer to attack financial and economic problems together.

On 12 September, according to *Messaggero*, Dr. Menichella eliminated himself from consideration as Minister of the Treasury when in the course of an interview with De Gasperi, he is alleged to have declared that in his opinion, the post possibly combined with that of Ministry of Finance should go to a member of one of the three mass parties.

At a meeting of the Christian-Democrat parliamentary group that afternoon, *Messaggero* reports that the Prime Minister taking up the matter of the proposed merging of the ministries stated that first, he must question the other parties and ask all to draft a sound programme to be used during the negotiations.

Resolution.

Possibly with the view toward rejecting rumours of an internal split the group passed the following resolution of confidence in De Gasperi's actions: "The parliamentary group of the Christian-Democrat party having examined the situation resulting from Corbino's resignation, reasserts its confidence in the President of the Council and the other Christian-Democrat members of the Government who are engaged in the effort of getting the country out of the serious situation in which it still finds itself both on internal and international ground; sees in the lack of an effective and sure solidarity in the Government, the sary to reach the merging of the two ministries as it is impossible to separate the policy of the Treasury from that of the Finance Ministry, and as the merging is an element of the clarification of reciprocal positions among the Government parties which is demanded by the Country".

Varying opinions continued to be expressed by the newspapers depending mostly on party affiliation. *Tribuna del Popolo*, and *Buonsenso*, both intimated that one of the difficulties lay in the fact that De Gasperi was overworked with too many jobs. The former, however, thought he should be able to devote his entire attention to the unity of Government policy and action while the latter complained that every time the presence of the Prime Minister was urgently required in Paris to meet new attacks, he was forced to return to Italy to cope with a Government crisis. In *Avanti*, Umberto Calosso wrote that "it is strange that in wartime the conservatives did not hesitate to maintain rigid rationing of provisions, clothing, etc., paying high wages and exercising a control over industry which amounts to complete socialization. But as soon as peace returns the conservatives immediately feel very timid, discouraged and, with a lack of imagination and full of Moslem-like fatalism, they accept the return to unemployment, to hunger, to luxury and laissez-faire as if these things could not be changed." *Momento* declares that the President of the Council asked for a vote of confidence from his party merely to gain time and that the crisis was far from being settled. It also affirmed that part of the trouble is due to the reluctance of all parties to assume direction of the economic life of the country at such a critical moment.

Tempo's Reaction.

Tempo's tone was sorrowful. "The humiliation of Italy at the Luxembourg, the lack of State authority and the collapse of Italian finance have accentuated the anxiety of Italians in the last few weeks for a clear word from the Government. The fact that Saragat had convoked the Constituent Assembly from Paris made the people expect such a statement... But on his arrival in Rome, Saragat was obliged, by the incomprehension of political circles, to make it merely a normal meeting. Now it is evident that the country faces a new form of cruel and unmerited expiation

Declassified E.O. 12356 Section 3.3/NND No. 785020

which there is only one solution; hasten the convocation of the 'comizi', so that the country may save itself by creating Chambers which will make for more homogeneous Government..."

ECONOMIC FRONT

During the past few weeks housekeepers lave observed a somewhat alarming rise of prices. For instance the price of a certain kind of cheese which was 280 lire a kilo at the beginning of August had risen to 400 lire by the end of the month. This is perhaps an extreme example, but a sharp rise of prices has certainly been taking place as the agitation in parts of the north and the not altogether successful attempts of the authorities to impose the *calmiere* or list of fixed prices bear witness. More specific information, as far as Rome is concerned, is given in *Globo*'s weekly index of free-market food prices. From this table price fluctuations since the beginning of the year can be observed. Taking the first of January index at 100, the aggregate index for all types of food fell to 91 within a month, after which it sank more slowly, touching 88 in April, before rising to a rather sharp peak of 97 for the week ending 5 May. After this prices fell again through the summer, the index falling as low as 68 by mid-August, which was the turning point. During the remainder of the month the index went up by one point, but during the first week of September it leaped up five points to touch 74. Thus in Rome at least the increase of prices, though sharp, is comparatively recent; in the north it appears to date from the early part of August.

Wheat Amassing.

Seventy-seven and eight tenths percent of the wheat amassing goal had been collected as of the average date of 6 September 1946 according to the latest figures supplied by UNRRA and the Allied Commission Economics Section. The figures are given as usual in tabular form. It is to be noted that one region, Toscana has once again exceeded its amassing goal. It has been announced that investigations regarding estimated production and retentions are being made. Revision will be made upon completion.

COMPARTMENTS	Estimated Production	Amassing Goal	Collections at last Report	Percentage of Goal Collected	Collected at latest Report	Percentage of Goal Collected
Piemonte	395,550	82,403	56,596	68.7	61,095	74.1
Liguria	19,450	383	182	47.5	193	50.4
Lombardia	559,550	326,662	211,232	64.7	213,424	65.3
Venezia Tridentina	15,700	3,431	79	2.3	110	3.2
Veneto	691,750	403,984	291,819	72.2	293,831	72.7
Emilia	1,064,920	574,858	497,060	86.5	499,931	87.0
Northern Italy	2,746,920	1,391,721	1,056,968	75.9	1,068,584	76.8
Toscana	464,200	182,535	181,889	99.6	185,770	101.8
Marche	463,200	252,200	246,797	97.9	248,841	98.7
Umbria	212,000	103,000	100,232	97.3	102,634	99.6
Lazio	277,500	102,361	80,206	78.4	82,134	80.2
Abruzzi e Molise	327,500	88,183	65,118	73.8	66,275	75.2
Campania	270,320	45,675	23,327	51.1	24,778	54.2
Puglie	297,350	100,545	73,407	73.0	74,598	74.2
Lucania	156,000	40,836	39,026	95.6	40,570	99.3
Calabria	137,900	29,422	11,588	39.4	11,951	40.6
Sicilia	590,180	198,504	60,004	30.2	64,659	32.6
Sardegna	149,270	42,070	32,888	78.0	34,199	80.1

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Sicilia	590,180	198,504	60,004	30.2	64,659	32.6
Sardegna	146,270	42,670	33,268	78.0	34,163	80.1
Central, Southern and Insular Italy	3,342,420	1,185,931	914,862	77.1	936,373	79.0
GRAND TOTAL	6,089,340	2,577,652	1,971,830	76.5	2,004,957	77.8

Declassified E.O. 12356 Section 3.3/NND No. 785020

Last Sunday's *Messaggero* gives some interesting comparisons between this year's amassing and that of the years 1941 and 1942. Emilia, Umbria and Sardinia have amassed appreciably more grain this year than they had at the corresponding period of either of the last two years before the fighting in Italy, while the collections in Toscana, Marche, Abruzzi, Lazio, Campania and Veneto compare favourably with those years. On the other hand Piemonte, Lombardia, Puglie, Calabria and Sicily fall very much behind the earlier standard. The *Messaggero* commentator points the moral that the fat provinces must help to feed the lean ones, and deprecates a certain tendency to provincial egoism revealed by the view expressed in some quarters that the provinces should be allowed to keep enough grain, if they have it, to provide them with a lavish bread ration.

Electricity production figures for the month of July are published by *Globo* (8 September). Taking the country as a whole 1,456,647 kw., including 8,495 kw. imported, were produced during the month of July. This represents 61 percent more than in July 1945, and 14 percent less than in July 1941. Italian electricity production is thus gradually nearing pre-war standards. However, the 14 percent lag is by no means evenly distributed over the country. Northern and Insular Italy are respectively only 3 and 4 percent below the 1941 production, while the analagous figures for Central and Southern Italy are respectively 56 and 41 percent. There have also been changes in the sources of supply. Thermally produced electricity in the North is still practically negligible (528 kw. for July or 87 percent below normal). In Central Italy the thermo-electric production has fallen during the past year by 61 percent (to 2,457 kw. for July), while hydro-electric production has fallen slightly in Insular Italy. However, both these reductions have been more than offset by an increase in the alternative productive source. Over all, thermo-electric production is a very small proportion of the total, 39,112 kw. compared with 1,409,040 kw. produced from water power, or less than 3 percent of the whole.

DECORATIONS

One American Officer, one Italian Officer and two Italian civilians were presented with American decorations by Rear Admiral Ellery W. Stone, Chief Commissioner, Allied Commission, in a ceremony held at his office 11 September 1946.

For meritorious achievement in connection with military operations in Italy, Capt. John J. Ward received the Bronze Star Medal. Also receiving the Bronze Star Medal for meritorious achievement was 2nd. Lt. Achille Di Lorenzo of the Italian Army.

Italian civilians receiving decorations were Dr. Michele Savarese who was presented with the Medal of Freedom with Bronze Palm and Dr. Enrico Bompiani who received the Medal of Freedom.

ODDS AND ENDS

One American officer, F/O Martin W. Haber, (Air Forces Sub-Commission) is leaving the Allied Commission this week for the United States for release from the Army.

One British officer, Lt. Col. A. G. Graham, MC, (Headquarters Commandant) is leaving for United Kingdom for release.

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Rear Admiral Ellery W. Stone, Chief Commissioner, paid a one-day visit to the republic of San Marino on 12 September 1946.

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Declassified E.O. 12356 Section 3.3/NND No. 785020

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POLITICAL

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Reparations, Venezia Giulia, and the Italo-French boundary all came up for discussion and in none of these discussions could the Italian press find a full measure of comfort. On 28 August 1946 Giuseppe Saragat, President of the Constituent Assembly, addressed the Political and Territorial Commission of the Conference on the question of the Italo-French boundary. His speech started with the statement that "The Italian people feel themselves responsible for the crimes committed by fascism, because a people is always responsible for the crimes committed by its governments, even if it is not guilty and had fought for two years side by side with the Allies". Turning to the matter of the boundary Saragat announced that two of the points in question, Little St. Bernard and "Terre di Caccia", would be freely released from Italian sovereignty as they were on the French side of the watershed. However he asked for reconsideration as to the other three the Bardonecchia Narrow Valley, Montcenis and the region of Mount Chaberton. In the desire to reach an agreement with France, Saragat declared that Italy would accept the proposed French lines for the Bardonecchia Narrow Valley and Mount Chaberton but in view of these sacrifices she requested that the Bardonecchia dams necessary to the electric power plants which fed the Italian State Railways be left in Italian Territory. As for the Montcenis flat, he said, it was completely on the Italian side. Saragat concluded by saying that neither the feeling of the in-

The French representative then declared that France wished to help the development of Italian Democracy and for that reason had limited her claims as much as possible. As for the dams France would carry on negotiations with Italy as she did not want to deprive Italy of her electric power resources. The Australian representative then declaring that the Commission did not have sufficient information on the subject suggested setting up a seven-member sub-commission to study the matter.

The atmosphere at the meeting of the commission was so completely cordial that the Italian press continued on its optimistic way. *Avanti*, stressed "the spirit of mutual comprehension to be seen in these discussions which was above all motives of disagreement". *Italia Libera* declared Saragat's speech was just what the paper wished De Gasperi had said. "The Conference Welcomes Saragat's Objections as to the Italian-French Frontier", was the headline in *Momento*.

The following day brought an awakening. Australia's proposal for setting up a Sub-Commission to study the question was rejected. Saragat was quoted by ANSA as laying the rejection not so much to French initiative as to the "Big-Four", who were, he said, "interested in avoiding the creation of a precedent that might have been instanced for other sectors and especially for Trieste".

The Decision.

On 31 August the Commission approved cession to France of Montcenis, Narrow Valley, (leaving Italy the power plant of Bardonecchia), Mount Chaberton and the Roja Valley (Briga and Tenda) leaving to Italy the Commune of Olivetta San Michele. The Italian press reaction was bitter. The Commune of Olivetta San Michele had been claimed by France and *Popolo* ventured to affirm that France had made this claim only to renounce it later thus giving an impression of good will at

Declassified E.O. 12356 Section 3.3/NND No. 765020

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that the discussion preceding it was nothing but a waste of time as the "diktat" had been decided on beforehand. *Avanti*, in a milder but still sorrowful tone called it a "hard day for Italy". *Tempo* headlines stated that "In Spite of False Promises, France will have the Dominion of our Western Valleys".

In the matter of reparations the going was still hard. On 30 August, the Paris Conference Economic Commission approved the first article of the draft peace treaty economic clauses. Under this article Italy will have to pay Russia 100 million dollars over a period of seven years. The same day Bitossi, Lizzadri, and Morelli, the CGIL delegates at Paris were received by the Russian Foreign Ministey Molotov who is reported to have declared that the Russian delegation would do its best to have the economic clauses improved provided that the British, U. S., and French delegations recognized the necessity for revisions. To this *Italia Nuova* retorted "Italy sentenced to pay 100 million dollars to the U. S. S. R. Having gotten what he wanted, Molotov declares to the representatives of the Italian Confederation of Labor that he will do his best to improve the economic clauses of the treaty".

On the heel of the grant to Russia Great Britain presented a memorandum to the Conference Secretary naming a sum in connection with reparations in amount of 2,880 million pounds or a figure approximately 80 times the Russian request. The *Tempo* correspondent observed that the British request was allegedly made to induce the other nations to cancel their requests and possibly to balance the flow towards the East of Italian industry, resulting from the payment in kind of war reparations to Russia and Yugoslavia.

De Gasperi's Appeal.

With the predicted claims against Italy totalling in the neighborhood of from 15 to 26 billion dollars, De Gasperi in an interview at Paris with the Director of the International News Service, Italian Branch appealed to the 21 nations "to reduce their claims for war reparations to the level of Italy's ability to pay in order to avoid compelling Italy to declare her insolvency and bankruptcy as Germany did after World War I." He declared that he would ask for the elimination of Article 69 (pertaining to Italian property abroad) and also creation of a

that Secretary of State Byrnes was already on record as opposed to that loan if it was to be used to pay reparations to other countries. But, the Prime Minister said, if the claims are reasonable and their payment deferred into a proper number of years then the guarantees requested by the United States might be achieved.

On 4 September ANSA reported from London that it had learned from Foreign Office circles that the British Government would renounce any payment of war reparations from Italy. It was declared that the British statement of damage suffered during the campaign against Italy had a double aim, "that is to recall the amount of loss suffered and the resulting gravity of sacrifice in renouncing the payment of war reparations and secondly to put the claim of war reparations presented by other countries in their just proportion considering that it was advisable, in the interest of all, not to destroy completely, Italy's possibilities of economic rehabilitation".

Bonomi's Speech.

In his speech before the Paris Conference Political and Territorial Commission Ivanoe Bonomi delved into history in an attempt to show that for centuries Venezia Giulia had been considered by the Italian people as an integral part of the National territory. He declared that it was well to recall in World War I, Italy had entered on the side of Russia, England and France not only to destroy German aggression but also to free Venezia Giulia and rejoin it with the motherland. He said that it was good to recall that on the occasion, Italy's war drew the solidarity of the Yugoslav people and that occupied Serbia was helped by Italy in a most brotherly fashion. Bonomi went on to say that in the past war, fascism participated in the German aggression against Yugoslavia and endeavored to lay hands on Yugoslav territory. This offence, he said, demanded reparations but reparations should not offend justice. Speaking about the proposed Trieste Free Territory, Bonomi declared that if assurance of a high degree of efficiency was required, it was necessary to grant it a maximum independence regarding communications with the hinterland of Central Europe. But, he continued, if one granted that the French line achieved ethnical equilibrium, and was in agreement with a sound principle of just distribution, that very

Declassified E.O. 12356 Section 3.3/NND No. 785020

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1203
Declassified E.O. 12356 Section 3.3/NND No. 785020

lian sovereignty and if one wanted to re-establish the ethnical equilibrium which was the foundation on which rested the "French Line", it was necessary to enlarge the Free Territory southward so that an equal number of Italians would be detached from Yugoslav sovereignty. This was easily achievable by incorporation into the Free Territory of the western and southern part of Istria as marked out by the English line. Such a solution would respect the national character and the historical tradition of the population and the territory.

The Yugoslav representative Bebler replied to the address of Bonomi, on the following day. He affirmed the claim that all Venezia Giulia should be given to Yugoslavia. He accused the Italian delegation of having disguised facts in order to keep Venezia Giulia for Italy. He then made a sharp attack on Bonomi declaring that in 1912 he had been expelled from the Socialist party owing to his policy of colonial expansion, and that he had been Minister of War in one of Mussolini's governments. Bebler also stated that the ethnical data presented by the Italian delegation were distorted.

Seventeen of the twenty-four articles of the draft military clauses were approved by the Paris Conference Military Commission on 3 September with no changes. The reaction of the press was immediate. *Risorgimento Liberale* even asserted that there was only one decision left for the Italian delegation to make: leave the conference. Heatedly it declared that the Italian memorandum had not even been taken into consideration. "Neither the speeches of De Gasperi, Saragat and Bonomi nor Byrnes hand-shaking along with De Fontoura's signs of friendship changed anything and we have reason to believe that the economic stipulations of the Four will be approved as were the military clauses". *Giornale della Sera* headed its story, "Do Not Sign Our Enslavment". *Avanti*, however, quietly criticized the demand by *Risorgimento Liberale*, that the Italian delegation leave the Conference, saying that "international confidence cannot be obtained by banging the doors".

Corbino's Resignation.

However about this time it was a domestic matter that occupied most of the Italian papers. On 2 September Epicarmo Corbino, Minister of [illegible] announced to De Gasperi his intention to resign. Corbino's decision was motivated by the fact that there were no differences within the government although the Communist party had four Ministers and four Undersecretaries, attacks on him by the Communist party newspaper had been virulent and continual. "It is clear", he said, "that the Communist Party wants to precipitate a crisis. Having ascertained that the field of foreign policy was little suitable as it would have placed them in an unfavourable light from the national point of view, they have turned on the economic policy where it is much easier for them and not dangerous to follow a demagogical line". Referring to the Communist representation in the government he declared that it was not understandable that the economic policy should be attacked by the communists as his own policy. "It is a kind of double-dealing that benefits nobody and therefore must end", he said. Either the Communist Party accepts the policy of monetary stability and therefore assumes full corresponsibility for it and stops attacking it through myself, or it does not accept it and therefore has the duty to propose another one and—in case of a refusal by the other parties—to take the consequences.

Nenni talked with De Gasperi on the telephone and the Prime Minister asked him to prevail upon Corbino to remain until he, De Gasperi, had returned from Paris.

The same day Minister Scoccimarro stated to an ANSA correspondent that the government economic policy had failed. "If the present government does not urgently enact a sound programme allowing the masses of unemployed to be put to work and accruing confidence in the economic life of the country by bringing into reality an economic and financial plan leading Italy towards reconstruction, the Communists prefer to go on the opposition".

Press Comment.

Press comment was mixed. *Avanti*, under the heading "A Strategic Retreat", asked if Corbino had lost his nerve because of Communist criticism. *Italia Libera* was critical of the Government declaring that it had pursued a policy of letting things go stressing the question of unemployment and the "caro vita". *Messaggero*, under the title "Sudden crisis in the composition of the Italian Government", stressed the necessity of a prompt settlement of the difficulty. *Unità*, under the heading of: "Consistency With The Programme", attacked the reasons given by Cor-

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Declassified E.O. 12356 Section 3.3/NND No. 785020

unemployed and hungry workers, the empty state coffers and the flight of capital abroad. As to the threat of crisis by the Communists, *Unità* stated, "A few days ago an American, Mr. Keeny, Director of UNRRA, said Italy has no time to wait". Because he said so could we ever charge him with being willing to bring about at all costs a government crisis, as Corbino complains that Communists are doing now?" *Giornale d'Italia* asked whether the Communists could show a programme stating that general ideas on planning, nationalization, and state management and ownership of industry are not a programme.

Following a meeting with Togliatti, Pacciardi and Corbino on 3 September Nenni declared that the crisis could be solved only after De Gasperi had returned. In the meantime Corbino will remain Minister of Treasury.

Messaggero said that the prospective solution of the crisis is one of three: 1. Corbino's confirmation; 2. appointment of another independent; 3. appointment of a representative of one of the parties of the masses. The paper says that the first solution is unlikely owing to Corbino's firm intention to resign. The second solution seems to be out of the question because after the recent experience, an independent would hesitate to participate in the responsibility of the Government without being backed by one of the major parties. There remains the third solution says the paper but in this case the question of the distribution of the ministries among the parties would come up again.

ASTI PARTISANS

Swift and sympathetic action by the Italian government coupled with the influence of cooler heads, last week, seemed to have averted a threatened general uprising of partisans in the North. The general problem of the partisans and its handling by the government, aroused great interest in the Rome press as the situation unfolded, with most papers holding to the view that most of the claims were justified but deploring that the partisans had not seen fit to achieve their ends by more legal means.

The situation started at Asti where on 22 August 1946 thirty members of the Auxiliary Police (all former partisans) as a protest against the dismissal of their captain, left their barracks, seized arms and took to the hills. That this was [illegible] an isolated rebellion was intimated the paper over 500 partisans were already gathered in the Santo Stefano Belbo zone.

The group was not slow to make known its desires. Among these were: 1. The constitution of a single police force; 2. Dismissal of officials compromised with the old regime; 3. The employment of veterans and partisans without limit as to percentage; 4. Continuation of the dismissals blocking and 5. Abrogation of the amnesty law.

A delegation was invited to come to Rome to discuss the partisan requests. They were received by Minister Nenni who reported to the Council of Ministers on 24 August that Captain Lavagnino, on whose account the uprising had started, had resigned and that the group of thirty had returned to their barracks.

Subsequent events however showed that the matter was far from settled. A "General Command of Revolutionary partisans" had been formed in the Asti zone under the leadership of Armando Valpreda who justified his action in a leaflet in which he said, "We have gone into hiding and have taken arms again because after 15 months of continuous humiliations and various efforts we considered it impossible to achieve in a peaceful manner those ideals for which many of our comrades died".

Newspaper Reports.

Rumors and counter-rumors started to fly in the press. *Tempo's* correspondent in Asti reported that the revolt of the Asti partisans was to be extended to the whole of Northern Italy. *Momento* reported from Genoa that the unrest of the partisans was spreading to that town and there was a good possibility that partisan members of the Genoa Auxiliary Police might answer "Armando's" appeal and join him in Piedmont. *Messaggero*, expressed concern that the rebellion might spread in the whole region of Piedmont, Liguria and elsewhere.

Following the reception at Rome of the delegation from the partisans, Col. Moscatelli, commander of the "Garibaldi" partisan units succeeded in convincing the Asti partisans that they should return to their homes. A public meeting was held at Asti and Moscatelli and other commanders addressed the group. The National Committee of the Italian Partisans' National Association also expressed confidence in the attitude of the government toward the problems of the partisans and made a quick appeal for them to re-

Declassified E.O. 12356 Section 3.3/NND No. 765020

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About the same time however, commanders of partisan units met at Milan and issued a resolution

1207
Declassified E.O. 12356 Section 3.3/NND No. 785020

expressing their solidarity with the partisans of Piedmont. ANPI did not represent their legitimate interests, they declared, and consequently the Milan partisans had decided to found a "Movement of Partisan Resistance".

In the meantime the Council of Ministers was taking full cognizance of the situation. At the meeting of 28 August Prime Minister De Gasperi acknowledged the justification of many of the requests of the Partisans but pointed out that the government was in fact confronted with a rebellion although arms had not been used. He declared that he fully intended to prevent any infringement of democratic order no matter by what group of the people it was caused. He felt it necessary to condemn methods such as those employed by the partisans declaring that no one could expect to be rendered justice by the Government if he did not abide by the law.

Minister Scoccimarro is reported by *Momento* to have objected at this point asserting that the partisans had been promised a solution of their problems several times by the Government but that all legislation affecting the interests of the partisans had been slowed down by "bureaucratic machinery". He is also reported to have declared that the present feeling of unrest among the partisans was caused in great measure by the recent amnesty following which several fascists previously sentenced to death, were now again in circulation.

The Council's Resolution.

At the conclusion of the meeting, the Council, as reported in *Messaggero*, unanimously approved a resolution which while expressing gratitude to a certain section of the citizens for its contribution to the liberation of the country at the same time deplored that its claims had been linked with a measure of indiscipline. The resolution also listed the various measures taken or announced in favor of the partisans. Among these were placement of partisans on the same footing with voluntary servicemen; acknowledgement of partisans rank qualifications; war pensions to injured and incapacitated partisans; reconstruction of houses damaged by the Germans in reprisal and extension to partisans of the same economic treatment accorded to servicemen.

At the Council's meeting the following day, discussion of the situation continued precipitated final spurts and that reports from Turin, Casale Monferrato and Asti indicated that for the most part the leadership of the partisans was satisfied with the action taken by the Council at the previous day's meeting. In this connection *Messaggero* reported from Vercelli that an attempt at rebellion by some local partisans had been frustrated by leaders of the ANPI. This organization also voted a resolution declaring that although the partisan movement must be maintained "the partisans should absolutely abstain from performing any inconsiderate act which might affect the superior interests of the country". At the same time the Florence Partisans Committee warned partisans of the province not to commit any act which might compromise the outcome of present negotiations with the Government. At the Council meeting it was unanimously resolved that Minister of War Facchinetti should go to Milan and carry out an investigation aided by representatives of all parties.

Following the day of this Council meeting, news of the partisans faded considerably from the press aside from editorial comments pro and con as to the justification of the action taken by those partisans at Asti. On 4 September, Minister Facchinetti declared to journalists at Milan that he had concluded his conferences with representatives of the partisans and had received the impression that the movement had ceased.

Government and Press.

For the most part the Government fared rather well in its treatment by the press during the entire situation. Many editorial comments were completely non-political as different newspapers hammered at the thesis that authority and order must be maintained. There were of course some criticisms of the government these mostly taking the line that the government had itself brought on the situation by slowness in acting. Among the critics of this sort was *Voce Repubblicana* which while disapproving revolt against a duly constituted democratic government declared that diplomacy, beaurocracy and the armed forces of Italy are still under the control of the fascists and that veterans have a choice either to become bandits or starve. *Giornale della Sera* declared that the disorders of the Asti partisans would lead to more serious things owing to alleged weakness of the government but added, "authentic and worthy

Declassified E.O. 12356 Section 3.3/NND No. 765020

"Movement of Partisan Resistance".

In the meantime the Council of Ministers was taking full cognizance of the situation. At the meeting of 28 August Prime Minister De Gasperi acknowledged the justification of many of the requests of the Partisans but pointed out that the government was in fact confronted with a rebellion although arms had not been used. He declared that he fully intended to prevent any infringement of democratic order no matter by what group of the people it was caused. He felt it necessary to condemn methods such as those employed by the partisans declaring that no one could expect to be rendered justice by the Government if he did not abide by the law.

Minister Scoccimarro is reported by *Momento* to have objected at this point asserting that the partisans had been promised a solution of their problems several times by the Government but that all legislation affecting the interests of the partisans had been slowed down by "bureaucratic machinery". He is also reported to have declared that the present feeling of unrest among the partisans was caused in great measure by the recent amnesty following which several faseists previously sentenced to death, were now again in circulation.

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At the Council's meeting the following day, discussion of the situation continued precipitated by the fact that an armed group had invaded the prison at Pallanza and had set free some prisoners guilty of political crimes. Nenni is reported to have expressed the belief that these incidents were vious day's meeting. In this connection *Messaggero* reported from Vercelli that an attempt at rebellion by some local partisans had been frustrated by leaders of the ANPI. This organization also voted a resolution declaring that although the partisan movement must be maintained "the partisans should absolutely abstain from performing any inconsiderate act which might affect the superior interests of the country". At the same time the Florence Partisans Committee warned partisans of the province not to commit any act which might compromise the outcome of present negotiations with the Government. At the Council meeting it was unanimously resolved that Minister of War Facchinetti should go to Milan and carry out an investigation aided by representatives of all parties.

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Declassified E.O. 12356 Section 3.3/NND No. 765020

ing out with satisfaction that even the partisan leaders had urged their followers to avoid all inconsiderate action and abide by law. The paper concluded "This country needs discipline, security and stability. To disregard this expectation of our people would be a dangerous business for any government or party". *Avanti* quietly declared that there is no question of a crisis if it is still possible for men, exasperated by misery and thousands of other causes to appeal to reason. The crisis is in sabotaging republican institutions the paper concluded.

ECONOMIC FRONT

As of the average date of 29 August 1,971,830 metric tons or 76.5 % of the wheat amassing goal had been collected according to figures supplied by UNRRA and the Economic Section A. C. The figures are once again published in tabular form. With a revision last week of the figures for estimated production and amassing goal the percentage of goal collected by the various regions became more realistic. Several regions had previously surpassed their amassing goals by substantial margins. Toscana this week again led all regions and as a matter of fact increased its lead over the second region Marche. Sicily with 30.2 % of goal collected trailed the others but on the whole showed a satisfactory jump during the week.

An article which appeared in *Globo* on 2 September gives some interesting details on the road haulage situation, especially with reference to Genoa. Freight rates from Genoa to other places in Italy are falling sharply owing to trucks arriving at the port with loads for export and the difficulty of finding return loads. Freight from Genoa to Rome, for instance, is about 400 lire per quintal, which compares favorably with rail tariffs at *piccola velocità*.

As ever, haulage concerns are faced with the two great problems of fuel and tires. Imports of fuel oils have been decreased, while the number of vehicles on the roads has risen. Fuel allotments have been cut from 16 to 11 liters per quintal of load capacity, and it is feared that the figure might be still further reduced. Free-market prices

COMPARTMENTS	Estimated Production	Amassing Goal	Collections at last Report	Percentage of Goal Collected	Collected at latest Report	Percentage of Goal Collected
Piemonte	395,550	82,403	52,205	63.3	56,596	68.7
Liguria	19,450	383	161	42.0	182	47.5
Lombardia	559,550	326,662	208,262	63.8	211,232	64.7
Venezia Tridentina	15,700	3,431	65	1.9	79	2.3
Veneto	691,750	403,984	290,818	72.0	291,819	72.2
Emilia	1,064,920	574,858	494,085	85.9	497,060	86.5
Northern Italy	2,746,920	1,391,721	1,045,596	75.1	1,056,968	75.9
Toscana	464,200	182,535	178,264	97.7	181,889	99.6
Marche	463,200	252,200	245,907	97.5	246,797	97.9
Umbria	212,000	103,000	98,137	95.3	100,232	97.3
Lazio	277,500	102,361	79,280	77.5	80,206	78.4
Abruzzi e Molise	327,500	88,183	63,376	71.9	65,118	73.8
Campania	270,320	45,675	20,999	46.0	23,327	51.1
Puglie	297,350	100,545	72,006	71.6	73,407	73.0
Lucania	156,000	40,836	37,227	91.2	39,026	95.6
Calabria	137,900	29,422	11,329	38.5	11,588	39.4
Sicilia	590,180	198,504	55,831	28.1	60,004	30.2
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Declassified E.O. 12356 Section 3.3/NND No. 765020

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Sardegna	146,270	42,670	31,643	74.2	33,268	78.0
Central, Southern and Insular Italy	3,342,420	1,185,931	893,999	75.4	914,862	77.1
GRAND TOTAL	6,089,340	2,577,652	1,939,595	75.2	1,971,830	76.5

Declassified E.O. 12356 Section 3.3/NND No. 785020

for truck fuels are naphtha 45-50 lire per kilo and diesel oil 150 lire per kilo. Improvement, however, is expected in the tire situation following ARAR's promise of extra allotments and hopes of increased production from the Pirelli and Michelin factories, though Thursday's fire at the Pirelli Milan factory may have rather damped these hopes. Prices of tires in the free market range from 70,000 lire each in the case of truck tires to 30-35 thousand lire for *topolino* tires.

It is announced that following an agreement between the C. I. P., UNRRA, the American and British Vacuum Oil and Shell companies, oil refining is to be resumed in Italy at Naples, Bari, La Spezia and Porto Marghera. The current issue of *UNRRA Economic Notes* explains that the crude oil for the first six months' requirements will be imported and paid for by UNRRA, with the result that Italy will receive more refined petroleum products than would otherwise have been the case, though it must not be expected that this will mean that more gasoline will be immediately available to users, the *Notes* hastens to add.

ODDS AND ENDS

Three more American Officers are leaving the Allied Commission this week. They are: Lt. Col. Roscoe R. Snapp, (Food and Agriculture); Maj. Arthur M. McPhail, (Motor Transportation Officer); and 1st Lt. Marley R. Brown, (Signal Officer).

The following American officers have recently been assigned to the Allied Commission: Lt. Col. Paul T. Graves, (Economic Section); Maj. John R. Hayes, (Regimental Headquarters); and 1st Lt. Paul Cole, (Adjutant, A. C.).

Declassified E.O. 12356 Section 3.3/NND No. 785020

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Declassified E.O. 12356 Section 3.3/NND No. 785020