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ECONOMIC NOTES, UNRRA
AUG. - OCT. 1946

October 25, 1946 Vol. I. No. 41

# ECONOMIC NOTES

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

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1. Special Rations for Industrial Centres
2. Fertilizer for Italian Crops
3. Farm Machinery Distribution
4. Movements of Ships

## SPECIAL RATIONS FOR INDUSTRIAL CENTRES

5358

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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 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.

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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.

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## 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 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.

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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

dollars (£2,000) [illegible]

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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.

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## 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

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.

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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."

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# 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 Gorthon | » | » » | 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 Peppercll | 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 |
| [illegible] | Venice | 17 » | South Africa | » | 8,200 |

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|---|---|---|---|---|---|
| Helene Kulukundi | Genoa | 14 October | Swiss | Cereals | 9,187 |
| Philomel | » | » » | UNRRA | General | 411 |
| Reuben Tipton | » | » » | » | » | 5,500 |
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| Motia | Venice | » » | UNRRA | General | 1,206 |
| Govert Flinck | Genoa | » » | » | Minerals | 1,500 |
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| 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 |

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| 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 |
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| Empire Puma | Savona | 15 » | Germany | UNRRA | 10,640 |
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| Daltonhall | Venice | » » | South Africa | » | 9,650 |
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| 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 |
| 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.

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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.

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## 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 [illegible] fertilizers

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 300 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.

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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.

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## 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 of soda will be given to the production of bread cereal crops.

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

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.

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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.

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## 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

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.

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### 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 circumstances.

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.

groups of farmers, [illegible] 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.

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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."

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# 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 Gorthon | » | » » | 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 |
| | | 17 » | South Africa | » | 8,200 |

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|---|---|---|---|---|---|
| Helene Kulukundi | Genoa | 14 October | Swiss | Cereals | 9,187 |
| Philomel | » | » » | UNRRA | General | 411 |
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| Motia | Venice | » » | UNRRA | General | 1,206 |
| Govert Flinck | Genoa | » » | » | Minerals | 1,500 |
| Highflyer | » | 17 » | » | General | 153 |
| Ada Gorthon | » | » » | Commercial | » | 4,430 |
| Seaside (1) | » | 18 » | UNRRA | Cereals | 2,430 |
| Storeborg | » | » » | — | 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 |

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| Fred E. Joyce | Genoa | » » | United States | » | 8,515 |
| Karmen | Venice | » » | Yugoslavia | Commercial | 3,550 |
| John Blair | » | » » | United States | U. S. Army | 8,392 |
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| William Pepperell | Genoa | » » | » » | UNRRA | 8,356 |
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| 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 |
| 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.

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October 18, 1946 Vol. I, No. 40

# ECONOMIC NOTES

— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolo 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

*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* (9,000 tons):
Arrivals to date include steel billets, corrugated sheets, flat sheets and plate, reinforcing rods and bar stock.

*Pig Iron* (9,300 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* (4,300 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 [illegible] requiring such materials.

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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.

*Steel* (9,600 tons):
Arrivals to date include steel billets, corrugated sheets, flat sheets and plate, reinforcing rods and bar stock.

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*Pig Iron* (9,300 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* (4,800 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.

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*Copper* (3,900 tons):

Arrivals to date have been 3,000 tons of high grade fire refined copper and 895 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 [illegible] is for the purpose of utilising 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 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.

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

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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 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 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 which Italy has no domestic production, is required for the rehabilitation of electrotechnical industries and the electric railway

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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

| | |
|---|---|
| Acetone | 14,400 lbs. |
| Codeine phosphate | 175 ,, |
| Corn Syrup | 8,616 ,, |
| Insulin (22 U.T./mgr.) | 163,337,000 units |
| Theobromine Alkaloid (pure U.S.P.) | 100 kg. |
| Toluol pure | 4,704 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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## 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.

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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 which the following items have now been assigned for Government distribution under the present plan:—

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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.

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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.

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# 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 | — | 7,210 |
| 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 |
| 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 | » | 7,572 |
| Barbara Frietchie | Venice | 12 » | Bahrein | It. Program. | 8,003 |
| Benjamin Bourn | La Spezia | 13 » | United States | UNRRA | 8,755 |

NOTE: (1) Also discharged at Bari

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October 18, 1946 Vol. I, No. 40

# ECONOMIC NOTES

— Published by The Public Information Division, UNRRA Italy Mission, Via di San Nicolò da Tolentino no. 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

*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* (9,800 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* (4,300 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

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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.

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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.

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*Copper* (3,900 tons):

Arrivals to date have been 3,000 tons of high grade fire refined copper and 895 tons of electrolytic wire bar.

*Denatured alcohol and acetone* (1,280 tons):

889 tons of denatured ethyl alcohol for industrial use and 403 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 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.

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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 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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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.

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# 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 | — | 7,210 |
| 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 |
| Mont Gaspe | Bari | » » | » | General | 2,369 |
| Middlebury Victory | Genoa | 12 » | » | Wool | 670 |
| Sameshire | » | 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 | » | 7,572 |
| Barbara Frietchie | Venice | 12 » | Bahrein | It. Program. | 8,700 |
| Benjamin Bourn | La Spezia | 13 » | United States | UNRRA | 8,755 |

NOTE: (1) Also discharged at Bari

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October 11, 1946

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# ECONOMIC NOTES

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

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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 ricreased 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 |

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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 declining since 1935, came practically to an end) housing accommodation increased in Lombardy by approximately 350,000 rooms, in Lazio by nearly 300,000 rooms, and in Piedmont by about 190,000 rooms. On the other hand, Umbria, Lucania and Abbruzzi together increased their total housing accommodation by less than 42,000 rooms.

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The following are estimates of principal building materials and labor involved:

| | | |
|---|---|---|
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| 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 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

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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

### 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

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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 a loan from the Lire Fund. This fund would be used to finance operations by way of advances, in anticipation of the payment of the Government grants, which are frequently delayed many months. All advances would ultimately be repayable.

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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.

| | Partial Tonnage | Total |
|---|---|---|
| 1. *Industrial Rehabilitation:* | | |
| Vehicles & Vehicle Maintenance Supplies | 3,538 | |
| Solid Fuel (Coal) | 2,907,158 | |
| P.O.L. (1) | 1,020,000 | |
| Pig Iron | 5,390 | |
| Steel | 7,825 | |
| Manganese Ore | 1,524 | |
| Tin | 405 | |
| Copper (refined) | 3,753 | |
| Nickel | 1,056 | |
| Asphalt | 27,596 | |
| Cotton | 2,247 | |
| 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 | 3,632 | |
| 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 | 246,220 | |
| 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

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"anticipated" materials and "anticipated" labor, is dependent upon amendment of the Government Decree of 9 June, 1946, setting up the CASAS organization.

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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:*

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| 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 | |
| Rubber | 2,811 | |
| Lumber | 473 | |
| Asbestos | 3,800 | |
| Clays (including Kaolin) | 8,647 | |
| Other | 651 | |
| | | 4,001,652 |

(1) Estimated amount.

| | | |
|---|---|---|
| Blister Copper | 3,632 | |
| 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. 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.

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## 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.

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# 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.

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## 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 » | » » | » | |
| [illegible] (1) | » | 2 » | » » | » | 3,000 |

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(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 |
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| Capo Mele | » | 5 » | » | Harbour installations | — |

NOTE: (1) Advice received too late for inclusion in last week's shipping list.

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## 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 |
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| | 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 |
| Kordum | Venice | 6 » | Germany | » | 7,515 |

NOTE: (1) Also discharged at Venice

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October 11, 1946 Vol. I, No. 39

OCT 11 1946

# 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 ricreased 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 houses 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 |

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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 declining since 1935, came practically to an end) housing accommodation increased in Lombardy by approximately 350,000 rooms, in Lazio by nearly 300,000 rooms, and in Piedmont by about 190,000 rooms. On the other hand, Umbria, Lucania and Abbruzzi together increased 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.

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| | | |
|---|---|---|
| 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 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

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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 dif- [illegible] of which the most important are

### 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 [illegible] per cent. Government

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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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### 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-Pesaro area. CASAS is also undertaking responsibility for the completion of the program of rehousing of cave-dwellers in Naples, where some 40 families, still to be rehoused, will be provided with permanent homes in 10 modern, four-apartment houses.

[illegible] the province of Piedmont. 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.

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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 a loan from the Lire Fund. This fund would be used to finance operations by way of advances, in anticipation of the payment of the Government grants, which are frequently delayed many months. All advances would ultimately be repayable.

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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.

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## 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 | |
| | 27,596 | |

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 | 3,632 | |
| 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. [illegible] tons of coal

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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.

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## UNRRA IMPORTS

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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 | |
| Rubber | 2,811 | |
| Lumber | 473 | |
| Asbestos | 3,800 | |
| Clays (including Kaolin) | 8,647 | |
| Other | 651 | |
| | | 4,001,652 |

(1) Estimated amount.

| | | |
|---|---|---|
| Pesticides (Copper Sulphate, other) | 11,083 | |
| Blister Copper | 3,632 | |
| 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. 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.

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## 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.

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# 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 Aran | 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 » | » » | » | |
| [illegible] | [illegible] | 2 » | » » | » | 3,000 |

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5341

## 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 |
| Kordum | Venice | 6 » | Germany | » | 7,515 |

NOTE: (1) Also discharged at Venice

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1480

October 4, 1946

OCT 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 —

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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

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

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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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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, 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.


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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 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 [illegible] with 2,600,000 tons of coal,

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raw materials: and to contribute to the defence of the lira by providing that universal antidote for inflation—goods.

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"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 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 contribution to them.

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"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 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

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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. 34 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 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."

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## 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

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costly, because it has to come from so far away.

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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

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### 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 proportion is the over-all figure and will not be strictly maintained month by month. Since all the raw cotton is free, the prices per metre of goods for sale will be kept to figures within the reach of millions of consumers who are

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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 in-

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

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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 the amount of clothing or cotton goods to be distributed to each individual or institution. The program is subject to minor change, as distribution proceeds.

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

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# 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 Nomicou | Venice | » » | It. Program. | Minerals | 3,200 |
| Alberto Gianpaolo | Genoa | 29 » | » » | » | — |

NOTE: (1) Also dis harged 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<br>Leghorn | 22 September<br>27 » | United States | UNRRA | 9,723 |
| 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 |
| [illegible] | » | » » | » | » | 8,400 |

5334

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| 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 | » | 5,410 |
| 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 » | » » | » | — |

NOTE: (1) Also dis harged 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 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.

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OCT 4 1946

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 —

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1. Finance for Italy's 1947 Needs
2. UNRRA Cotton Plans
3. Commodity Prices Agreed
4. Movements of Ships

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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

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

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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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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, 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.


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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 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 2,000,000 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.

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raw materials: and to contribute to the defence of the lira by providing that universal antidote for inflation—goods.

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"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 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 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."

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"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 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

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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 [illegible] the burden which

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."

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## 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

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### 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. 34 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.

### 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

taken a long step in meeting those economic problems which face every Italian, regardless of party, in the present moment."

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### 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 proportion is the over-all figure and will not be strictly maintained month by month. Since all the raw cotton is free, the prices per metre of goods for sale will be kept to figures within the reach of millions of consumers who are

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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 in-

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,

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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 the amount of clothing or cotton goods to be distributed to each individual or institution. The program is subject to minor change, as distribution proceeds.

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

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# 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 |
| Carrier Dove | » | » » | UNRRA & Comm'l. | General | 7,800 |
| Flora Nomicou | 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<br>Leghorn | 22 September<br>27 » | United States | UNRRA | 9,723 |
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| Edward J. Berwind | » | » » | United States | » | 8,763 |
| Orata | Venice | » » | Germany | » | 11,181 |
| James M. Gillis | Savona | 24 » | Bahrein | It. Program | 8,570 |
| Fort Crouard | » | » » | 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 |
| | | » » | » | » | 8,400 |

3332

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| 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 » | » » | » | — |

NOTE: (1) Also discharged at Castellammare: (2) Also discharged at Naples.

## LATEST COAL SHIPMENTS

(SEPTEMBER 22 - 28 INCLUSIVE)

3332

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | COUNTRY OF ORIGIN | ACCOUNT | TONS |
|---|---|---|---|---|---|
| Harry Kirby | Genoa<br>Leghorn | 22 September<br>27 » | United States | UNRRA | 9,723 |
| 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 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.

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September 27, 1946 Vol. I, No. 37

# ECONOMIC NOTES

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

CONTENTS

1. Grain Amassing Prospects
2. Italy to Produce Margerine
3. Supply Conference in Washington
4. Half-a-Million Tons of Coal
5. Movements of Ships

## GRAIN AMASSING PROSPECTS

The latest estimates of this year's rice crop, harvesting of which began on 16 September, put the total at 550,626 metric tons. This is the figure for rough rice. In terms of cleaned, white rice, net production will amount to about 374,000 tons.

The rice crop in Italy this year is better than that of last year by more than 170,000 tons (calculated in terms of rough rice) or approximately 45 per cent. The improvement is largely due to increased acreage. This year's acreage is about 29 per cent. greater than last year's, but is still 25.6 per cent. below the average for 1936-38.

### Substantial Improvement Expected

The official amassing goal for this year's crop has not yet been fixed, but in previous years amassing has reached a very high proportion of the total crop. In 1942, and again in 1943, 95 per cent. of the crop was amassed. This figure fell to 80 per cent. in 1944, and in the exceptional circumstances of last year, was no more than 63 per cent. The price for rough rice has yet to be fixed, and it is anticipated that with better prices and strieter control, a substantial improvement in the ammassi figure will be achieved this year.

In view of the grave shortage of rice in the The proposal is still under consideration by the Italian Government and no decision, it is understood, has yet been made.

### 2,000,000 Tons of Corn

The corn (maize) harvest is now beginning. This year's production estimate was, on 30 June, 2,307,603 metric tons—which is nearly 1,000,000 tons better than a year ago, but still about 800,000 tons below the 1936-1938 average. Actual production is likely to be below the estimate, owing to drought in Central Italy and storm damage in the North. Official figures are not yet available.

No amassing goal for corn has yet been fixed. In view of the retentions legally permitted for hog feeding, and owing to the increase in hog numbers, relatively only a small proportion is available for amassing. In 1942, when amassing was exceptionally effective, only 23 per cent of the 2,400,000 ton crop was amassed. Amassing (with a bad crop) fell to less than 15 per cent. in 1943, rose under the influence of a better crop in 1944, and last year, when the total crop was only 1,400,000 tons (less than half the pre-war average), fell to 5.8 per cent.

### Barley Better than Pre-War

5325

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# ECONOMIC NOTES

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


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## GRAIN AMASSING PROSPECTS

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The rice crop in Italy this year is better than that of last year by more than 170,000 tons (calculated in terms of rough rice) or approximately 45 per cent. The improvement is largely due to increased acreage. This year's acreage is about 29 per cent. greater than last year's, but is still 25.6 per cent. below the average for 1936-38.

### Substantial Improvement Expected

The official amassing goal for this year's crop has not yet been fixed, but in previous years amassing has reached a very high proportion of the total crop. In 1942, and again in 1943, 95 per cent. of the crop was amassed. This figure fell to 80 per cent. in 1944, and in the exceptional circumstances of last year, was no more than 63 per cent. The price for rough rice has yet to be fixed, and it is anticipated that with better prices and stricter control, a substantial improvement in the ammassi figure will be achieved this year.

In view of the grave shortage of rice in the Far East, the UNRRA Italy Mission has proposed to the Italian Government that Italy should export rice in exchange for wheat, receiving two tons of wheat for every ton of rice exported. This exchange would be undertaken by UNRRA as an Inter-Mission deal. The proposal is still under consideration by the Italian Government and no decision, it is understood, has yet been made.

### 2,000,000 Tons of Corn

The corn (maize) harvest is now beginning. This year's production estimate was, on 30 June, 2,307,603 metric tons—which is nearly 1,000,000 tons better than a year ago, but still about 800,000 tons below the 1936-1938 average. Actual production is likely to be below the estimate, owing to drought in Central Italy and storm damage in the North. Official figures are not yet available.

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### Barley Better than Pre-War

This year's barley crop, estimated at 233,389 metric tons, is a little better than the 1937-1938 average, and is very nearly double what it was a year ago. With production estimated at 110,878 metric tons, this


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year's rye crop is very nearly back to the pre-war average. The estimated amassing goal in 1946 for barley and rye is 125,000 tons. Up to the present, however, no more than about 37,500 tons have been delivered.

After approximately three months of wheat amassing, the results are very satisfactory, particularly in Central Italy and parts of Northern Italy. Up to 20 September, the amassing total for the whole country, including Sicily and Sardinia, was 2,048,246 tons. The Government's estimates of this year's production have been revised upwards to 6,089,340 metric tons, and the amassing goal has been raised to 2,577,652 tons. Present deliveries represent 79.5 per cent. of this amassing goal.

## ITALY TO PRODUCE MARGARINE

Manufacture is just beginning of margarine from UNRRA-imported copra, and the first supplies are expected to be available during October for distribution in the normal fat ration. This margarine is the first to be made in Italy since production was stopped by Mussolini some years ago. Samples have been examined, and tests have proved very satisfactory. The retail price of the margarine is to be discussed at the next meeting of the Joint Price Committee. The new margarine is likely to sell at a figure somewhat lower than that fixed for UNRRA-imported lard and other animal fats included in the ration.

For the manufacture of this margarine, UNRRA has imported 12,000 tons of copra from the Philippines. UNRRA imports represent about 68 per cent. of the total content of the margarine; the remainder will consist of oils procured by the Italian Government on its own account.

### 7,000 Tons Will Be Manufactured

Margarine manufacture is carried out in four stages—pressing, refining, hydrogenation and emulsification. The processing of the 12,000 tons of UNRRA copra will produce

High Commissioner for Food, and UNRRA. Control of the copra during manufacture, and of the finished products has also been vested in SNAG. Final allocation to the provinces and distribution to consumers of the fats produced will follow the same procedure as for other rationed fats.

### Oil-Cake and Soap

In addition to an output of 7,000 tons of margarine, processing of this copra will provide a number of valuable by-products. Chief of these will be 4,000 tons of oil-cake for cattle and 700 tons of oleine, for the manufacture of soap. This oleine will be used to make pharmaceutical soap and baby soap. Distribution of the oil-cake will be under the control of the Ministry of Agriculture. The soap will be distributed by the Ministry of Industry and Commerce, in consultation with the High Commissariat for Public Health and Hygiene.

## SUPPLY CONFERENCE IN WASHINGTON

At the Conference summoned in Washington for 15 October by the Director General of UNRRA, Mr. Fiorello LaGuardia, a final review is to be made of the supply budgets of receiving countries, and final arrangements are to be discussed for the transfer from UNRRA to the respective receiving countries of responsibility for obtaining basic commodities.

Italy will be represented by the Deputy Chief of Mission for Requirements and Distribution, Mr. Harlan Cleveland, who will be accompanied by Mr. B. Luzzatto, Chief of the Sub-Bureau of Industrial Rehabilitation. The Italian Government has been asked to designate a representative to the Conference, which is expected to last about three or four weeks. Concurrently with the UNRRA Conference, discussions will be in progress in Washington on the future financing of Italian imports, after the UNRRA program is com-

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[illegible] tons have been delivered.

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### 7,000 Tons Will Be Manufactured

Margarine manufacture is carried out in four stages—pressing, refining, hydrogenation and emulsification. The processing of the 12,600 tons of UNRRA copra will produce some 7,000 tons of margarine and will give employment for about four months to a number of works in the North, chiefly at Genoa and Brescia.

Copra will be allocated to the processing firms through SNAG (Società Nazionale Approvvigionamenti Grassi - National Association for Oils and Fats) in agreement with the [illegible] and distribution to consumers of the fats produced will follow the same procedure as for other rationed fats.

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### UNRRA Shipments in September

Up to 10 September UNRRA shipments to Italy, either actually landed or on the high seas, totalled nearly 6,200,000 tons. Of the cargoes then at sea nearly all were expected

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to arrive before the end of the month. UNRRA's complete program for Italy totals 10,000,000 tons: and, following decisions reached at the Fifth UNRRA Council in Geneva last month, all of this total will be shipped to Italy, even though some of the shipments may be delayed well into 1947. There is *no* date-line for the termination of UNRRA supplies. UNRRA's program will end when the funds allocated to Italy have been exhausted.

## HALF-A-MILLION TONS OF COAL

The end of the maritime strike in the United States East Coast ports has released a concentration of coal shipping for Italy, which may be as large as 500,000 tons, and which will seriously tax coal-handling facilities at Italian ports, states the UNRRA Italy Mission.

"Extraordinary efforts on the part of everyone concerned with receiving and despatching coal at Italian ports will be necessary, if we are to avoid a severe and costly tie-up of ships," said Mr. S. M. Keeny, Chief of the Mission.

"UNRRA is importing this coal for essential industry and transport, to provide jobs —and goods—for the Italian people. The coal must not be allowed to jam up port facilities. Ships must unload quickly and the coal must not be allowed to lie for any length of time in great stock-piles at the ports—with consequent loss, and danger from spontaneous combustion."

### Heavy Cost of Delay

Mr. Keeny also pointed out that delays in unloading entailed demurrage costs of about 1,700 dollars (£425 sterling) a day—which could be better used to buy relief and rehabilitation supplies.

To meet the emergency, the UNRRA Italy Mission is calling the attention of the relevant Italian authorities to the need of a com-

(2) Port customs and regulations, in ports where coal is handled mechanically, should be temporarily waived; and coal should be loaded and unloaded by hand, to avoid delay.

(3) The railways should allocate all available wagons to the ports and concentrate the necessary locomotives in the port areas—particularly Venice and Genoa, where the congestion will be most serious.

(4) Industries within a specified radius (yet to be determined) of each port should pick up their coal allocations by any means *other than rail*—by truck, by coastal vessels, by schooners or by canal barges.

### Not Enough Wagons

"I am fully aware," Mr. Keeny observed, "that some of these alternative forms of inland, or coastal, transport are more costly than rail; but there are—in simple fact—not enough railway wagons available in Italy to handle all the coal traffic in the next few weeks. This situation will probably continue for the duration of the UNRRA coal import program. Bluntly speaking, it is better to have coal, even at higher freight costs, than not to have any coal at all.

"If subsidiary means of transport are not used to move the coal from the ports, there is a danger that we may have to slow down the rate of our coal imports—with consequent unfortunate effects upon industry."

In preparation for the increased shipments that will start arriving within the next two or three weeks, the Italian Government and UNRRA have already jointly taken measures to clear existing back-piles of coal at the ports and to organize alternative transport facilities by truck, barge and coastal craft.

## "ECONOMIC SURVEY" SUPPLEMENT

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### Heavy Cost of Delay

Mr. Keeny also pointed out that delays in unloading entailed demurrage costs of about 1,700 dollars (£425 sterling) a day—which could be better used to buy relief and rehabilitation supplies.

To meet the emergency, the UNRRA Italy Mission is calling the attention of the relevant Italian authorities to the need of a comprehensive program of action to ensure the maximum utilization of all transport and labour availabilities; and has recommended that:—

(1) Port Authorities and dock-workers should work overtime and on holidays, when necessary.

(3) The railways should concentrate all available wagons to the ports and concentrate the necessary locomotives in the port areas—particularly Venice and Genoa, where the congestion will be most serious.

(4) Industries within a specified radius (yet to be determined) of each port should pick up their coal allocations by any means *other than rail*—by truck, by coastal vessels, by schooners or by canal barges.

### Not Enough Wagons

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## "ECONOMIC SURVEY" SUPPLEMENT

*The Supplement published with this week's issue of* Economic Notes *is the first of two on Labour, Prices and the Cost of Living. This week's section deals with Labour and Social Insurance. The supplement next week (Issue No. 38, 3 October) will be on Prices and the Cost of Living.*

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# MOVEMENTS OF SHIPS

## CARGOES OTHER THAN COAL

(SEPTEMBER 17 - 22 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | ACCOUNT | CARGO | TONS |
|---|---|---|---|---|---|
| Exhibitor | Genoa | 17 Sept. | UNRRA | General | 38 |
| George Dewey | Naples | » » | » | » | 4,276 |
| Sfinge | Venice | » » | It. Program | Phosphates | 7,100 |
| Fortunata | Genoa | 18 » | » » | » | 4,825 |
| Bowdoin Victory | » | 19 » | UNRRA | General | 1,102 |
| Paul David Jones | Castellammare | 20 » | » | Cereals | 8,484 |
| Kedoc | Genoa | 21 » | » | Minerals | 1,500 |
| Cape Romano | Venice | 22 » | Commercial | General | 1,200 |

## LATEST COAL SHIPMENTS

(SEPTEMBER 16 - 22 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | COUNTRY OF ORIGIN | ACCOUNT | TONS |
|---|---|---|---|---|---|
| Nathaniel Silsbee | Savona | 16 September | United States | UNRRA | 8,885 |
| Hopecrest | Venice | » » | South Africa | Brit. Army | 9,104 |
| Maristella | Savona | 17 » | Germany | UNRRA | 4,400 |
| Laurence J. Gallagher | » | » » | United States | Swiss | 9,230 |
| Johan Printz | Genoa | » » | » | UNRRA | 8,680 |
| | Piombino | 21 » | | | |
| Hawkins Fudske | Genoa | 17 » | » | » | 8,481 |
| | Leghorn | 21 » | | | |
| Armathia | Genoa | 17 » | Germany | » | 7,017 |
| Empire Tern | Civitavecchia | » » | » | » | 3,187 |
| Rudolph Kauffmann | » | » » | United States | » | 9,066 |
| Robert Watchorn | Palermo | » » | » | » | 9,050 |
| Lorado Taft (1) | Piombino | » » | » | » | 4,490 |
| Zuijderburgh | Naples | 18 » | Germany | » | 2,000 |
| Alexander W. Doniphan | La Spezia | » » | United States | » | 8,573 |
| Samuel Nelson | Catania | » » | » | » | 9,000 |
| Llandaff | Bari | 19 » | South Africa | » | 8,414 |
| Francis Drake | Savona | 20 » | United States | » | 9,331 |
| Joseph Leidy | Venice | » » | » | » | 8,042 |
| Suerte | Savona | 21 » | United Kingdom | » | 5,006 |
| Henry B. Brown | » | » » | United States | » | 8,538 |
| | | » » | Germany | » | 7,560 |

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| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | ACCOUNT | CARGO | TONS |
|---|---|---|---|---|---|
| Exhibitor | Genoa | 17 Sept. | UNRRA | General | 38 |
| George Dewey | Naples | » » | » | » | 4,276 |
| Sfinge | Venice | » » | It. Program | Phosphates | 7,100 |
| Fortunata | Genoa | 18 » | » » | » | 4,825 |
| Bowdoin Victory | » | 19 » | UNRRA | General | 1,102 |
| Paul David Jones | Castellammare | 20 » | » | Cereals | 8,484 |
| Kedoe | Genoa | 21 » | » | Minerals | 1,500 |
| Cape Romano | Venice | 22 » | Commercial | General | 1,200 |

## LATEST COAL SHIPMENTS

(SEPTEMBER 16 - 22 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | COUNTRY OF ORIGIN | ACCOUNT | TONS |
|---|---|---|---|---|---|
| Nathaniel Silsbee | Savona | 16 September | United States | UNRRA | 8,885 |
| Hopecrest | Venice | » » | South Africa | Brit. Army | 9,104 |
| Maristella | Savona | 17 » | Germany | UNRRA | 4,400 |
| Laurence J. Gallagher | » | » » | United States | Swiss | 9,230 |
| Johan Printz | Genoa | » » | » | UNRRA | 8,680 |
| | Piombino | 21 » | | | |
| Hawkins Fudske | Genoa | 17 » | » | » | 8,481 |
| | Leghorn | 21 » | | | |
| Armathia | Genoa | 17 » | Germany | » | 7,017 |
| Empire Tern | Civitavecchia | » » | » | » | 3,187 |
| Rudolph Kauffmann | » | » » | United States | » | 9,066 |
| Robert Watchorn | Palermo | » » | » | » | 9,050 |
| Lorado Taft (1) | Piombino | » » | » | » | 4,490 |
| Zuijderburgh | Naples | 18 » | Germany | » | 2,000 |
| Alexander W. Doniphan | La Spezia | » » | United States | » | 8,573 |
| Samuel Nelson | Catania | » » | » | » | 9,000 |
| Llandaff | Bari | 19 » | South Africa | » | 8,414 |
| Francis Drake | Savona | 20 » | United States | » | 9,331 |
| Joseph Leidy | Venice | » » | » | » | 8,042 |
| Suerte | Savona | 21 » | United Kingdom | » | 5,006 |
| Henry B. Brown | » | » » | United States | » | 8,538 |
| San Anthony | » | » » | Germany | » | 7,560 |
| Kelbergen | Genoa | » » | » | » | 7,388 |
| John Sharp Williams | » | » » | United States | » | 8,653 |
| Seaman A. Knapp | Bagnoli | » » | » | » | 8,556 |
| Thomas W. Murray | Savona | 22 » | » | » | 8,465 |
| Stad Haarlem | Bagnoli | » » | Germany | » | 7,571 |
| Lou Gehrig | Civitavecchia | » » | United States | » | 8,786 |

NOTE: (1) Also discharged at Civitavecchia

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# LABOR, PRICES AND THE COST OF LIVING (Section I)

## PART ONE - EMPLOYMENT AND LABOR PROBLEMS

### *EMPLOYMENT*

### *Full Employment Problem.*

1. The labor problem, and in particular, the important problem of full employment, is of great concern to Italy, having regard to the over-population of the country and the yearly population surplus (400,000 persons per year in pre-war). The agriculture and industry of Italy are not able, even in peak years of production, to absorb this population surplus.

2. The Italian population (of ten years of age and over) has undergone, from 1881 to 1936, the following changes, by occupational gronps and by sex:

TABLE 1

Italian Population (in millions) by Occupational Groups: 1881 and 1936

| Occupation | Total Population | | | | Males | | | | Females | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1881 | 1936 | Surplus over 1881 | 1936 Indices (1881 =100) | 1881 | 1936 | Surplus over 1881 | 1936 Indices (1881 =100) | 1881 | 1936 | Surplus (+) or deficit (—) | 1936 Indices (1881 =100) |
| Agriculture . . . . | 8.8 | 8.8 | — | 100.0 | 5.6 | 6.4 | 0.8 | 114.3 | 3.2 | 2.4 | 0.8 | 75.0 |
| Industry and transportation | 4.6 | 6.2 | 1.6 | 134.8 | 2.6 | 4.7 | 2.1 | 180.8 | 2.0 | 1.5 | —0.5 | 75.0 |
| Commerce and banking . | 0.7 | 1.6 | 0.9 | 228.6 | 0.6 | 1.2 | 0.6 | 200.0 | 0.1 | 0.4 | +0 3 | 400.0 |
| Others . . . . . | 1.4 | 1.7 | 0.3 | 121.4 | 0.8 | 0.9 | 0.1 | 112.5 | 0.6 | 0.8 | +0.2 | 133.3 |
| Active population . . | 15.5 | 18.3 | 2.8 | 118.1 | 9.6 | 13.2 | 3.6 | 137.5 | 5.9 | 5.1 | —0.8 | 86.4 |
| Non-productive population . | 7.6 | 15.4 | 7.8 | 202.6 | 1.9 | 3.0 | 1.1 | 157.9 | 5.7 | 12.4 | +6.7 | 217.5 |
| Total | 23.1 | 33.7 | 10.6 | 145.9 | 11.5 | 16.3 | 4.7 | 140.9 | 11.6 | 17.5 | +5.9 | 150.9 |

Source: Italian Official Census.

3. The most serious factor arising out of the above figures is that in 55 years—i.e., in a period of high economic development in Italy and of large emigration from Italy—7.8 million persons (or 74 %), out of a total increase of 10.6 million in the population of 10 years of age or over, have accrued to the inactive population. Economic activities have therefore absorbed little more than one quarter of the population of working age. The population figures by sex show that this is largely due to a decrease in the proportion of working female population, even in industry. This has been contrary to the trend in other industrial countries (e.g. in Great Britain, the 3.9 million women working in industry

4. The Italian agricultural population has remained unchanged in 55 years, while industry has absorbed 1.6 million persons, or an average of 30,000 persons per year.

5. During the 20 years of the fascist regime, part of the male population surplus was occupied in the armed forces, in the police and in the various fascist militias.

6. It is therefore evident that a full employment policy in Italy is possible only if the population surplus is absorbed by emigration and the process of industrial-

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## EMPLOYMENT

### *Full Employment Problem.*

1. The labor problem, and in particular, the important problem of full employment, is of great concern to Italy, having regard to the over-population of the country and the yearly population surplus (400,000 persons per year in pre-war). The agriculture and industry of Italy are not able, even in peak years of production, to absorb this population surplus.

2. The Italian population (of ten years of age and over) has undergone, from 1881 to 1936, the following changes, by occupational groups and by sex:

TABLE 1

Italian Population (in millions) by Occupational Groups: 1881 and 1936

| Occupation | Total Population | | | | Males | | | | Females | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1881 | 1936 | Surplus over 1881 | 1936 Indices (1881 =100) | 1881 | 1936 | Surplus over 1881 | 1936 Indices (1881 =100) | 1881 | 1936 | Surplus (+) or deficit (—) | 1936 Indices (1881 =100) |
| Agriculture . . . . | 8.8 | 8.8 | — | 100.0 | 5.6 | 6.4 | 0.8 | 114.3 | 3.2 | 2.4 | 0.8 | 75.0 |
| Industry and transportation | 4.6 | 6.2 | 1.6 | 134.8 | 2.6 | 4.7 | 2.1 | 180.8 | 2.0 | 1.5 | —0.5 | 75.0 |
| Commerce and banking . | 0.7 | 1.6 | 0.9 | 228.6 | 0.6 | 1.2 | 0.6 | 200.0 | 0.1 | 0.4 | +0.3 | 400.0 |
| Others . . . . . | 1.4 | 1.7 | 0.3 | 121.4 | 0.8 | 0.9 | 0.1 | 112.5 | 0.6 | 0.8 | +0.2 | 133.3 |
| Active population . . | 15.5 | 18.3 | 2.8 | 118.1 | 9.6 | 13.2 | 3.6 | 137.5 | 5.9 | 5.1 | —0.8 | 86.4 |
| Non-productive population . | 7.6 | 15.4 | 7.8 | 202.6 | 1.9 | 3.0 | 1.1 | 157.9 | 5.7 | 12.4 | +6.7 | 217.5 |
| Total | 23.1 | 33.7 | 10.6 | 145.9 | 11.5 | 16.3 | 4.7 | 140.9 | 11.6 | 17.5 | +5.9 | 150.9 |

Source: Italian Official Census.

3. The most serious factor arising out of the above figures is that in 55 years—i.e., in a period of high economic development in Italy and of large emigration from Italy—7.8 million persons (or 74 %), out of a total increase of 10.6 million in the population of 10 years of age or over, have accrued to the inactive population. Economic activities have therefore absorbed little more than one quarter of the population of working age. The population figures by sex show that this is largely due to a decrease in the proportion of working female population, even in industry. This has been contrary to the trend in other industrial countries (e.g. in Great Britain, the 3.9 million women working in industry in 1881 increased to 6.3 million in 1931).

4. The Italian agricultural population has remained unchanged in 55 years, while industry has absorbed 1.6 million persons, or an average of 30,000 persons per year.

5. During the 20 years of the fascist regime, part of the male population surplus was occupied in the armed forces, in the police and in the various fascist militias.

6. It is therefore evident that a full employment policy in Italy is possible only if the population surplus is absorbed by emigration and the process of industrialization of Italy rapidly stimulated.

(1) *See Supplement to Vol. 1 No. 27 for Introduction to Survey of Italy's Economy and for Survey of Finance; No. 28 for Survey of Agriculture and Food in Italy; Nos. 30 and 31 for Survey of Italian Industry; No. 32 for Survey of Transportation and Communications; and No. 34 for Survey of Health and Welfare in Italy.*

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7. The position, bad as it was in normal times, has now deteriorated owing to: (a) the severe fall of the standard of living of the population in general, and of the middle classes in particular: (b) the fact that hundreds of persons, who were either in the armed forces or worked in war or autarchic industries, are now added to the population seeking employment. This situation hangs over a large part of the problems of labor and of full employment.

*Employment Statistics.*

8. Workers, clerical and manual (i.e. the population working as employees) (1) were as follows (1936 census):

| | |
|---|---|
| Agriculture and fishing . . . . | 2,455,072 |
| Industry . . . . . | 4,208,041 |
| Commerce . . . . . | 489,100 |
| Transport and communications . . | 528,774 |
| Banking and insurance . . . . . | 99,511 |
| Others . . . . . | 1,707,014 |
| TOTAL . . . | 9,487,512 |

The present unemployed are estimated at 2.5 million (see para. 26). Employment has probably fallen by about one-fifth as compared with pre-war.

9. Employment statistics are collected monthly by the Ministry of Labor and Social Security through its Regional and Provincial Labor Offices which supervise employment offices. Provincial Labour Offices avail themselves of their sub-offices, established in the largest towns, and of the local authorities in the smaller towns, where Labor Sub-Offices do not exist. These statistics are however inadequate. In 1946 the index of employment in industry provided by the Ministry of Labor (100=1 Jan.) is:

| | |
|---|---|
| February . . . . . | 108.4 |
| March . . . . . | 107.3 |
| April . . . . . | 109.9 |
| May . . . . . | 112.5 |

*Some Aspects of Labor Conditions.*

10. The large manpower surplus in Italy, which tends to depress wages, goes hand in hand with the present period of low real wages (which have fallen to 50 or 60 % of pre-war), while trade unions work to restore them gradually to the pre-war level. This situation, in a period of economic and social crisis such as the present, accentuates the differences between employers

11. Many factors have reduced the morale of the working population and affected their productivity. These factors are: under-feeding and suffering (morally and materially) during the fighting in Italy and in the post-war period: the time spent by large numbers of men in war-prisoners' camps: the slow progress in economic reconstruction and rehabilitation work (due to both internal and external causes): the military occupation; the persisting low wages.

12. The war and the slow industrial rehabilitation have postponed the training of new skilled manual and higher clerical workers. There is at present therefore a surplus of unskilled workers, and a shortage of skilled and expert workers. Thus it is imperative that occupational training and the rapid formation of skilled workers are taken in hand. This is necessary for economic recovery and for the greater industrialization of the country.

*Activities of the Trade Unions.*

13. The main effort both of the Government and of the Trade Unions is concentrated on securing recovery both of industrial activity and of public works, to achieve a decent standard of living and greater employment.

14. The main problems relating to labor organization and to labor in general which have engaged the attention of the Trade Unions are:

(a) restoration of Trade Unions to a democratic basis throughout Italy and the setting up of factory committees:
(b) coordination of the provisions of collective labor agreements and of wage scales: to replace the confusion that has harmed both employers and labor during the post-war period;
(c) bringing wages in Southern Italy more in line with wages prevailing in Northern Italy;
(d) conclusion of collective labor agreements by branches of industry on a national or inter-regional basis;
(e) adjustment of wages to cost of living (and in particular the introduction of a wage sliding scale).

*The Government Program.*

15. The Prime Minister has stated that for production there should be a national plan that can reduce unemployment, lower costs and give scope for economic

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now added to the population seeking employment. This situation hangs over a large part of the problems of labor and of full employment.

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*Some Aspects of Labor Conditions.*

10. The large manpower surplus in Italy, which tends to depress wages, goes hand in hand with the present period of low real wages (which have fallen to 50 or 60 % of pre-war), while trade unions work to restore them gradually to the pre-war level. This situation, in a period of economic and social crisis such as the present, accentuates the differences between employers and labor and causes unrest.

(1) The fact that independent artisans, farmers etc. are excluded explains the difference between the above figures and those for 1936 in table 1.

reconstruction and rehabilitation work (due to both internal and external causes); the military occupation; the persisting low wages.

12. The war and the slow industrial rehabilitation have postponed the training of new skilled manual and higher clerical workers. There is at present therefore a surplus of unskilled workers, and a shortage of skilled and expert workers. Thus it is imperative that occupational training and the rapid formation of skilled workers are taken in hand. This is necessary for economic recovery and for the greater industrialization of the country.

*Activities of the Trade Unions.*

13. The main effort both of the Government and of the Trade Unions is concentrated on securing recovery both of industrial activity and of public works, to achieve a decent standard of living and greater employment.

14. The main problems relating to labor organization and to labor in general which have engaged the attention of the Trade Unions are:

(a) restoration of Trade Unions to a democratic basis throughout Italy and the setting up of factory committees;
(b) coordination of the provisions of collective labor agreements and of wage scales: to replace the confusion that has harmed both employers and labor during the post-war period;
(c) bringing wages in Southern Italy more in line with wages prevailing in Northern Italy;
(d) conclusion of collective labor agreements by branches of industry on a national or inter-regional basis;
(e) adjustment of wages to cost of living (and in particular the introduction of a wage sliding scale).

*The Government Program.*

15. The Prime Minister has stated that for production there should be a national plan that can reduce unemployment, lower costs and give scope for economic rehabilitation. The Government should intervene financially to transfer workers from industry to industry and provide a larger public works program. Joint committees (Consigli di gestione) should be established for ensuring cooperation between labor and executives in

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the larger concerns. Land should be made available to agricultural workers, through existing organizations with the necessary funds and technical organization to establish the new tenants; subsidies and loans by the State are also planned.

*Present Tasks of the Ministry of Labor.*

16. As explained on 19 September 1946 by signor D'Aragona, the Minister of Labor, his Ministry is mainly occupied with:

(a) finding employment for the unemployed and their vocational training;
(b) finding outlets for emigration.

17. As to (a) the Ministry of Labor is not so much concerned with finding jobs, but with the rational organization of the problem, so that surplus labor may be absorbed by those industries that need labor. To this end the Ministry of Labor is setting up professional schools, where labor can be trained for new occupations (1). There are, for instance, many workers who were previously engaged in war or autarchic industries and who will need to change their vocations to earn a living. It is foreseen that there will be a large demand both in Italy and abroad by the building industry. It is therefore planned to train as many skilled workers as possible for this industry. The problem is not, however, easy, as most workers have family dependents and it is necessary to grant the workers subsidies so that the families can subsist while the workers are learning their new trades.

18. As to (b) it is the task of the Ministry of Labor, in cooperation with the Ministry for Foreign Affairs, to endeavour to find outlets for surplus labor. This surplus labor must, however, first be trained so that the workers will be fully acceptable in the countries where they wish to settle.

*UNEMPLOYMENT*

19. Official statistics on unemployment in Italy are under estimates, because the worker is not compelled to register with, or the employer to hire his labour from the employment offices. Moreover, there are no uniform national regulations for the collection of data or for preventing the registration of the same worker with two or more employment offices.

20. Unemployment in agriculture, industry, commerce and other economic activities according to Italian official figures was as follows:

| | *Number of persons unemployed* |
|---|---|
| *1945* | — |
| September | 1.256.847 |
| December | 1.324.763 |
| *1946* | |
| January | 1,428.101 |
| February | 1,197,924 |
| March | 1.334,596 |
| April | 1,467,678 |
| May | 1.546,100 |
| June | 1,531,402 |
| July | 1,683,077 |
| August | 1.769.765 |

21. The significance of these figures can be appreciated when compared with the total of 1.018,953 unemployed registered in 1933, i.e. at the lowest point of the depression of the early Thirties. The decrease in February, 1946, is due to the failure of many unemployed to register at the unemployment offices during a special census held in that month.

22. Many workers do not register with the employment offices owing to:

(a) the low rates of unemployment benefit (52 to 62 lire a day, which can in 1946 hardly buy a pound of bread at black market prices);
(b) impossibility for the worker to receive benefits either because he has not paid in the minimum contributions required by law to entitle him to such benefits, or because he has already received benefits for the maximum period allowed (180 days):
(c) preference of the worker to look for employment directly rather than register through the employment offices.

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23. There were signs of increased registration of unemployed workers at the employment offices in July and August 1946, following the decree granting a 3,000 lire bonus known as the "premium of the republic" which included the unemployed workers, provided they are duly registered at employment offices.

24. There are in 1946 many more unemployed than before the war because many persons who did not then

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16. As explained on 19 September 1946 by signor D'Aragona, the Minister of Labor, his Ministry is mainly occupied with:

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18. As to (b) it is the task of the Ministry of Labor, in cooperation with the Ministry for Foreign Affairs, to endeavour to find outlets for surplus labor. This surplus labor must, however, first be trained so that the workers will be fully acceptable in the countries where they wish to settle.

## *UNEMPLOYMENT*

19. Official statistics on unemployment in Italy are under estimates, because the worker is not compelled to register with, or the employer to hire his labour from the employment offices. Moreover, there are no uniform national regulations for the collection of data or for preventing the registration of the same worker with two or more employment offices.

(1) Before the war there was the Istituto Nazionale Addestramento e Perfezionamento dei Lavoratori Industria (INAPLI - National Institute for training and for perfecting the skills of industrial laborers). The Institute is now developing its activies. In 1946 there will be 550 training courses, that will provide for over 20,000 workers. The Institute is supported by employer and labor organizations as well as by the Ministries of Labor and of Education.

| | |
|---|---|
| September | 1.256,847 |
| December | 1.324,763 |
| *1946* | |
| January | 1,428,101 |
| February | 1,197,924 |
| March | 1.334,596 |
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23. There were signs of increased registration of unemployed workers at the employment offices in July and August 1946, following the decree granting a 3,000 lire bonus known as the "premium of the republic" which included the unemployed workers, provided they are duly registered at employment offices.

24. There are in 1946 many more unemployed than before the war because many persons who did not then seek employment (housewives—especially of the middle and lower income groups—students) are now, as a consequence of the war and severe economic depression, anxiously seeking any jobs that will increase the low income of their family.

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25. Furthermore, unemployment increased as from April, 1946, owing to:

(a) the return of more war veterans from prison camps (during the month of May, 1946, the Minister of Post-War Assistance estimated at 600,000 the number of unemployed and needy war veterans);

(b) the coal shortage in May and June.

26. Without taking into account persons not fully employed, it is estimated that the total unemployed on 1 July, 1946, was about 2.5 million. This compares with 2.5 to 3 million in January, 1946. These 1946 figures represent a peak of unemployment without parallel. Of the 2.5 million unemployed, it is estimated that at least three fifths, i.e. 1.5 million of them, are heads of families. The population census of 1936 shows that, for every employed head-of-family, there were on the average 2.3 non-producer members of his family dependent on him. It can therefore be estimated that there are 6 million persons in need as a result of unemployment.

27. To reduce unemployment to some extent, a decree was passed on 14 February 1946, compelling firms employing more than 10 persons (excluding female employees engaged in activities normally and traditionally carried out by women) to employ war veterans in the proportion of 5 % of the total number employed on 31 December, 1945.

28. A further provision (Decree of 5 March, 1946) gave Prefects the right to increase the percentage of war veterans employed to 10 % (1).

29. These two decrees affect private firms only. In the Civil Service the compulsory employment of war veterans is limited to 5 %.

30. Of the persons officially registered at the employment exchanges 10 % to 14 % received unemployment benefit in the following months:

| | Persons receiving unemployment benefits | Percentage of registered unemployed |
|---|---|---|
| December, 1945 | 142,000 | 10.7 |
| January, 1946 | 150,000 | 10.5 |
| February, 1946 | 171,000 | 14.3 |
| March, 1946 | 186,000 | 13.9 |

*Unemployment by Occupation and by Regions.*

31. Official statistics related to 1.5 million unemployed in June, 1946, show (see Graph - Table 7) that 59.2 % of the unemployed is from industry, 14.1 % from agriculture, 8.1 % from commerce and 18.6 % from other activities. Assuming the same proportions for 2.5 million unemployed, approximately 1.48 million persons are unemployed in industry. This is equal to 42 % of the 3.5 million persons employed in industry in 1938.

32. Unemployment in agriculture is particularly severe in the areas of migratory labor (laborers hired by the day and having no long-term arrangements with the farms on which they work). In these areas the Prefect issued regulations to force every farm to take a certain number of laborers, according to its size (imponibile di mano d'opera).

33. The distribution of unemployment is given in Tables 3 to 9, based on statistics provided by the Italian Ministry of Labor and Social Security. Table 3 shows unemployment figures by regions from December, 1945, to June, 1946. Table 4 (also Graph - Table 5) shows in percentages the figures given in Table 3. Tables 6, 8 and 9 show unemployment figures and percentages by region and by occupation in June, 1946.

34. The percentage of unemployed by Regions to total unemployment in Italy in June, 1946, is as follows:

TABLE 2

Unemployment by Regions in Italy: June 1946

| Regions (2) | Per cent of total unemployment |
|---|---|
| Piedmont | 5.8 |
| Liguria | 4.8 |
| Lombardy | 20.3 |
| Venezia Tridentina | 1.1 |
| Veneto | 14.1 |
| Emilia | 10.2 |
| NORTHERN ITALY | *56.3* |
| Tuscany | 8.0 |
| Marche | 2.3 |
| Umbria | 0.9 |
| Lazio | 3.9 |
| CENTRAL ITALY | *15.1* |
| Abruzzi and Molise | 3.5 |
| Campania | 9.3 |
| Puglie | 4.7 |
| Lucania | 0.6 |
| Calabria | 3.4 |
| SOUTHERN ITALY | *21.5* |
| Sicily | 5.8 |
| Sardinia | 1.3 |

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war veterans):

(b) the coal shortage in May and June.

26. Without taking into account persons not fully employed, it is estimated that the total unemployed on 1 July, 1946, was about 2.5 million. This compares with 2.5 to 3 million in January, 1946. These 1946 figures represent a peak of unemployment without parallel. Of the 2.5 million unemployed, it is estimated that at least three fifths, i.e. 1.5 million of them, are heads of families. The population census of 1936 shows that, for every employed head-of-family, there were on the average 2.3 non-producer members of his family dependent on him. It can therefore be estimated that there are 6 million persons in need as a result of unemployment.

27. To reduce unemployment to some extent, a decree was passed on 14 February 1946, compelling firms employing more than 10 persons (excluding female employees engaged in activities normally and traditionally carried out by women) to employ war veterans in the proportion of 5 % of the total number employed on 31 December, 1945.

28. A further provision (Decree of 5 March, 1946) gave Prefects the right to increase the percentage of war veterans employed to 10 % (1).

29. These two decrees affect private firms only. In the Civil Service the compulsory employment of war veterans is limited to 5 %.

30. Of the persons officially registered at the employment exchanges 10 % to 14 % received unemployment benefit in the following months:

| | Persons receiving unemployment benefits | Percentage of registered unemployed |
|---|---|---|
| December, 1945 | 142,000 | 10.7 |
| January, 1946 | 150,000 | 10.5 |
| February, 1946 | 171,000 | 14.3 |
| March, 1946 | 186,000 | 13.9 |

About one third of those receiving unemployment benefit are women.

(1) In present conditions this could only be done at the expense of other employed categories (particularly women).

lion unemployed, approximately 1.48 million persons are unemployed in industry. This is equal to 42 % of the 3.5 million persons employed in industry in 1938.

32. Unemployment in agriculture is particularly severe in the areas of migratory labor (laborers hired by the day and having no long-term arrangements with the farms on which they work). In these areas the Prefect issued regulations to force every farm to take a certain number of laborers, according to its size (imponibile di mano d'opera).

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34. The percentage of unemployed by Regions to total unemployment in Italy in June, 1946, is as follows:

TABLE 2

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|---|---|
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| Lombardy | 20.3 |
| Venezia Tridentina | 1.1 |
| Veneto | 14.1 |
| Emilia | 10.2 |
| NORTHERN ITALY | 56.3 |
| Tuscany | 8.0 |
| Marche | 2.3 |
| Umbria | 0.9 |
| Lazio | 3.9 |
| CENTRAL ITALY | 15.1 |
| Abruzzi and Molise | 3.5 |
| Campania | 9.3 |
| Puglie | 4.7 |
| Lucania | 0.6 |
| Calabria | 2.4 |
| SOUTHERN ITALY | 21.5 |
| Sicily | 5.8 |
| Sardinia | 1.3 |
| ITALIAN ISLANDS | 7.1 |
| TOTAL | 100.0 |

Source: Italian Ministry of Labor.

(2) Venezia Giulia excluded.

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TABLE 3

Unemployment by Regions and total Registered Unemployment in Italy from December, 1945 to June, 1946

| Regions | December 1945 | January 1946 | February 1946 | March 1946 | April 1946 | May (1) 1946 | June (1) 1946 |
|---|---|---|---|---|---|---|---|
| | Number of unemployed | | | | | | |
| Piedmont | 48,795 | 60,781 | 65,664 | 70,242 | 75,799 | 85,805 | 88,481 |
| Liguria | 62,517 | 65,602 | 43,004 | 51,291 | 60,928 | 67,814 | 72,974 |
| Lombardy | 177,623 | 228,847 | 221,153 | 270,527 | 288,129 | 302,603 | 309,988 |
| Venezia Tridentina | 6,147 | 8,768 | 10,110 | 11,187 | 13,017 | 14,925 | 16,903 |
| Veneto | 171,983 | 182,615 | 184,237 | 198,180 | 210,929 | 219,016 | 216,387 |
| Emilia | 175,415 | 175,195 | 173,903 | 198,671 | 187,139 | 218,683 | 156,886 |
| NORTHERN ITALY | *642,480* | *719,208* | *698,371* | *800,098* | *835,941* | *903,766* | *861,619* |
| Tuscany | 115,695 | 128,049 | 97,768 | 109,695 | 116,047 | 118,731 | 122,691 |
| Marche | 34,159 | 36,737 | 34,057 | 34,975 | 37,051 | 35,836 | 34,988 |
| Umbria | 13,352 | 14,360 | 9,198 | 11,776 | 12,855 | 12,973 | 13,212 |
| Lazio | 42,491 | 47,769 | 25,438 | 32,028 | 43,824 | 50,592 | 59,454 |
| CENTRAL ITALY | *205,697* | *226,915* | *166,461* | *188,474* | *209,777* | *218,132* | *230,345* |
| Abruzzi and Molise | 42,478 | 47,093 | 40,665 | 46,465 | 52,573 | 54,058 | 58,696 |
| Campania | 150,191 | 143,046 | 68,439 | 103,714 | 96,060 | 109,402 | 142,910 |
| Puglie | 90,060 | 90,016 | 56,268 | 89,093 | 88,911 | 76,720 | 72,406 |
| Lucania | 13,635 | 15,793 | 16,072 | 14,771 | 13,237 | 14,455 | 8,715 |
| Calabria | 41,408 | 41,500 | 36,022 | 53,879 | 53,243 | 50,155 | 52,104 |
| SOUTHERN ITALY | *337,772* | *337,448* | *217,566* | *307,922* | *304,024* | *304,790* | *329,831* |
| Sicily | 108,935 | 113,288 | 92,137 | 10,135 | 87,304 | 90,620 | 89,407 |
| Sardinia | 29,879 | 31,182 | 23,489 | 27,967 | 30,692 | 28,792 | 20,200 |
| ITALIAN ISLANDS | *138,814* | *144,470* | *115,626* | *38,102* | *117,996* | *119,412* | *109,607* |
| TOTAL | 1,324,763 | 1,428,101 | 1,197,924 | 1,334,596 | 1,467,678 | 1,546,100 | 1,531,402 |
| INDEX | 100 | 107.8 | 90.4 | 100.7 | 110.8 | 116.7 | 115.5 |

(1) Provisional.
Source: Ministry of Labor and Social Security, Rome.

*Partial Unemployment and Ban on Dismissal.*

35. Over and above the unemployed there is in most regions a considerable number of partially employed persons. These are outside the purview of the employment offices. A special agreement made in Milan in July 1945, and extended to the whole of Northern Italy, [illegible] to 75 % of their pay (including family allowances) for the balance of the working week up to 48 hours. Thus, a large part of the industrial workers in Northern Italy working less than a full week was in receipt of "make-up" pay to 48 hours per week, paid partly by the employer and partly by the State from a fund for workers employed part-time.

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| | Number of unemployed | | | | | | |
|---|---|---|---|---|---|---|---|
| Piedmont | 48,795 | 60,781 | 65,664 | 70,242 | 75,799 | 85,805 | 88,481 |
| Liguria | 62,517 | 65,062 | 43,091 | 51,291 | 60,928 | 67,814 | 72,974 |
| Lombardy | 177,623 | 228,847 | 221,453 | 270,527 | 288,129 | 302,603 | 309,988 |
| Venezia Tridentina | 6,117 | 8,768 | 10,410 | 11,187 | 13,017 | 14,925 | 16,903 |
| Veneto | 171,983 | 182,615 | 184,237 | 198,180 | 210,929 | 219,016 | 216,387 |
| Emilia | 175,415 | 173,195 | 173,903 | 198,671 | 187,139 | 213,603 | 156,886 |
| NORTHERN ITALY | *642,480* | *719,268* | *698,371* | *899,098* | *835,941* | *903,766* | *861,619* |
| Tuscany | 115,695 | 128,049 | 97,768 | 109,695 | 116,047 | 118,731 | 122,691 |
| Marche | 34,159 | 36,737 | 34,057 | 31,975 | 37,051 | 35,836 | 34,988 |
| Umbria | 13,352 | 14,360 | 9,198 | 11,776 | 12,855 | 12,973 | 13,212 |
| Lazio | 42,491 | 47,769 | 25,438 | 32,028 | 43,824 | 30,592 | 59,454 |
| CENTRAL ITALY | *205,697* | *226,915* | *166,461* | *188,474* | *209,777* | *218,132* | *230,345* |
| Abruzzi and Molise | 42,478 | 47,093 | 40,665 | 46,465 | 52,573 | 54,058 | 58,696 |
| Campania | 150,191 | 143,016 | 98,439 | 103,714 | 96,060 | 109,402 | 142,910 |
| Puglie | 90,060 | 90,016 | 36,268 | 89,093 | 88,911 | 76,720 | 72,406 |
| Lucania | 13,635 | 15,793 | 16,072 | 14,771 | 13,237 | 14,455 | 8,715 |
| Calabria | 41,408 | 41,500 | 36,022 | 53,879 | 53,243 | 30,155 | 52,104 |
| SOUTHERN ITALY | *337,772* | *337,418* | *217,466* | *307,922* | *304,024* | *304,790* | *329,831* |
| Sicily | 108,935 | 113,288 | 92,137 | 10,135 | 87,301 | 90,620 | 89,407 |
| Sardinia | 29,879 | 31,182 | 23,489 | 27,967 | 30,632 | 28,792 | 20,200 |
| ITALIAN ISLANDS | *138,814* | *144,470* | *115,626* | *38,102* | *117,936* | *119,412* | *109,607* |
| TOTAL | 1,324,763 | 1,428,101 | 1,197,924 | 1,334,596 | 1,467,678 | 1,546,100 | 1,531,402 |
| INDEX | 100 | 107.8 | 90.4 | 100.7 | 110.8 | 116.7 | 115.5 |

(1) Provisional.

Source: Ministry of Labor and Social Security, Rome.

*Partial Unemployment and Ban on Dismissal.*

35. Over and above the unemployed there is in most regions a considerable number of partially employed persons. These are outside the purview of the employment offices. A special agreement made in Milan in July 1945, and extended to the whole of Northern Italy, provided that workers should receive a proportion of their wages even when not working or working less than 40 hours a week. Under this special agreement the dismissal of workers not needed to maintain current industrial production was temporarily abrogated. Industrial workers without full time work were entitled to 75 % of their pay (including family allowances) for the balance of the working week up to 48 hours. Thus, a large part of the industrial workers in Northern Italy working less than a full week was in receipt of "make-up" pay to 48 hours per week, paid partly by the employer and partly by the State from a fund for workers employed part-time.

36. Under a decree issued on 21 August, 1945, No. 523 (which modified the agreement referred to in para. 35), a 40-hour week was established for industrial concerns in Northern Italy and workers would receive payment of two thirds wages for every hour not worked between

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TABLE 4

Percentage of Unemployment by Regions to total Unemployment in Italy from December 1945 to June 1946

| Regions | December 1945 % | January 1946 % | February 1946 % | March 1946 % | April 1946 % | May 1946 % | June 1946 % |
|---|---|---|---|---|---|---|---|
| Piedmont | 3.7 | 4.3 | 5.5 | 5.3 | 5.2 | 5.5 | 5.8 |
| Liguria | 4.7 | 4.6 | 3.6 | 3.8 | 4.2 | 4.1 | 4.8 |
| Lombardy | 13.4 | 16.0 | 18.5 | 20.3 | 19.6 | 19.6 | 20.2 |
| Venezia Tridentina | 0.5 | 0.6 | 0.8 | 0.8 | 0.9 | 1.0 | 1.1 |
| Veneto | 13.0 | 12.8 | 15.4 | 14.9 | 14.4 | 11.2 | 14.1 |
| Emilia | 13.2 | 12.1 | 14.5 | 14.9 | 12.7 | 13.8 | 10.3 |
| NORTHERN ITALY | *48.5* | *50.4* | *58.3* | *60.0* | *57.0* | *58.5* | *56.5* |
| Tuscany | 8.7 | 9.0 | 8.2 | 8.2 | 7.9 | 7.7 | 8.0 |
| Marche | 2.6 | 2.6 | 2.8 | 2.6 | 2.5 | 2.3 | 2.3 |
| Umbria | 1.0 | 1.0 | 0.8 | 0.9 | 0.9 | 0.8 | 0.8 |
| Lazio | 3.2 | 3.3 | 2.1 | 2.4 | 3.0 | 3.3 | 3.9 |
| CENTRAL ITALY | *15.5* | *15.9* | *13.9* | *14.1* | *14.3* | *14.1* | *15.0* |
| Abruzzi and Molise | 3.2 | 3.3 | 3.4 | 3.5 | 3.6 | 3.5 | 3.5 |
| Campania | 11.4 | 10.0 | 5.7 | 7.8 | 6.5 | 7.1 | 9.3 |
| Puglie | 6.8 | 6.3 | 4.7 | 6.7 | 6.1 | 5.0 | 4.7 |
| Lucania | 1.0 | 1.1 | 1.4 | 1.1 | 0.9 | 0.9 | 0.6 |
| Calabria | 3.1 | 2.9 | 3.0 | 4.0 | 3.8 | 3.2 | 3.4 |
| SOUTHERN ITALY | *25.5* | *23.6* | *18.2* | *23.1* | *20.7* | *19.7* | *21.5* |
| Sicily | 8.2 | 7.9 | 7.7 | 0.7 | 5.9 | 5.8 | 5.9 |
| Sardinia | 2.3 | 2.2 | 1.9 | 2.1 | 2.1 | 1.9 | 1.8 |
| ITALIAN ISLANDS | *10.5* | *10.1* | *9.6* | *2.8* | *8.0* | *7.7* | *7.2* |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

a minimum of 24 and a maximum of 40 hours. Even in this modified form these arrangements would represent a heavy financial burden on the enterprise affected and a serious obstacle to the resumption of profitable industrial operation (see para. 173).

37. Unemployment statistics showed that about 45 % of labor employed in the machine industry and 40 % of labor in metallurgic industry was idle: in Lombardy many industries employed 37 % of their available labor less than 40 hours a week; 15 % of this 37 % did not work more than 24 hours per week.

38. On 19 January 1946 an agreement was reached

(b) an additional 4 % might be dismissed during the first half of March and 4 % more during the second half of March;

(c) the permissible percentage of dismissals for April was set at 8 %.

39. This step was only partially carried into effect, and in several industries the established rates of dismissals were alleged to be too low to stop the excessive drain for wages to unnecessary workers.

40. A draft decree approved on 23 May 1946 by the Government postponed block dismissals until the end

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Piedmont | 3.7 | 4.3 | 5.5 | 5.3 | 5.2 | 5.5 | 5.8 |
| Liguria | 4.7 | 4.6 | 3.6 | 3.8 | 4.2 | 4.1 | 4.8 |
| Lombardy | 13.4 | 16.0 | 18.5 | 20.3 | 19.8 | 19.6 | 20.2 |
| Venezia Tridentina | 0.5 | 0.6 | 0.8 | 0.8 | 0.9 | 1.0 | 1.1 |
| Veneto | 13.0 | 12.8 | 15.4 | 14.9 | 14.1 | 14.2 | 14.1 |
| Emilia | 13.2 | 12.1 | 14.5 | 14.9 | 12.7 | 13.8 | 10.3 |
| *NORTHERN ITALY* | *48.5* | *50.4* | *58.3* | *60.0* | *57.0* | *58.5* | *56.5* |
| Tuscany | 8.7 | 9.0 | 8.2 | 8.2 | 7.9 | 7.7 | 8.0 |
| Marche | 2.6 | 2.6 | 2.8 | 2.6 | 2.5 | 2.3 | 2.3 |
| Umbria | 1.0 | 1.0 | 0.8 | 0.9 | 0.9 | 0.8 | 0.8 |
| Lazio | 3.2 | 3.3 | 2.1 | 2.4 | 3.0 | 3.3 | 3.9 |
| *CENTRAL ITALY* | *15.5* | *15.9* | *13.9* | *14.1* | *14.3* | *14.1* | *15.0* |
| Abruzzi and Molise | 3.2 | 3.3 | 3.4 | 3.5 | 3.6 | 3.5 | 3.5 |
| Campania | 11.4 | 10.0 | 5.7 | 7.8 | 6.5 | 7.1 | 9.3 |
| Puglie | 6.8 | 6.3 | 4.7 | 6.7 | 6.1 | 5.0 | 4.7 |
| Lucania | 1.0 | 1.1 | 1.4 | 1.1 | 0.9 | 0.9 | 0.6 |
| Calabria | 3.1 | 2.9 | 3.0 | 4.0 | 3.6 | 3.2 | 3.4 |
| *SOUTHERN ITALY* | *25.5* | *23.6* | *18.2* | *23.1* | *20.7* | *19.7* | *21.5* |
| Sicily | 8.2 | 7.9 | 7.7 | 0.7 | 5.9 | 5.8 | 5.9 |
| Sardinia | 2.3 | 2.2 | 1.9 | 2.1 | 2.1 | 1.9 | 1.3 |
| *ITALIAN ISLANDS* | *10.5* | *10.1* | *9.6* | *2.8* | *8.0* | *7.7* | *7.2* |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

a minimum of 24 and a maximum of 40 hours. Even in this modified form these arrangements would represent a heavy financial burden on the enterprise affected and a serious obstacle to the resumption of profitable industrial operation (see para. 173).

37. Unemployment statistics showed that about 45 % of labor employed in the machine industry and 40 % of labor in metallurgic industry was idle: in Lombardy many industries employed 37 % of their available labor less than 40 hours a week; 15 % of this 37 % did not work more than 24 hours per week.

38. On 19 January 1946 an agreement was reached authorizing dismissal of workers employed ("Sblocco dei licenziamenti") as at 31 December, 1945, in the following proportions:

(a) 5 % of them might be dismissed in February 1946;

(b) an additional 4 % might be dismissed during the first half of March and 4 % more during the second half of March;

(c) the permissible percentage of dismissals for April was set at 8 %.

39. This step was only partially carried into effect, and in several industries the established rates of dismissals were alleged to be too low to stop the excessive drain for wages to unnecessary workers.

40. A draft decree approved on 23 May 1946 by the Government postponed block dismissals until the end of July 1946. The postponement was subsequently extended to 30 September 1946 ("Riblocco dei licenziamenti"). In the meantime a committee was set up to study the situation in industry and to make recommendations for schemes to transfer workers from over-

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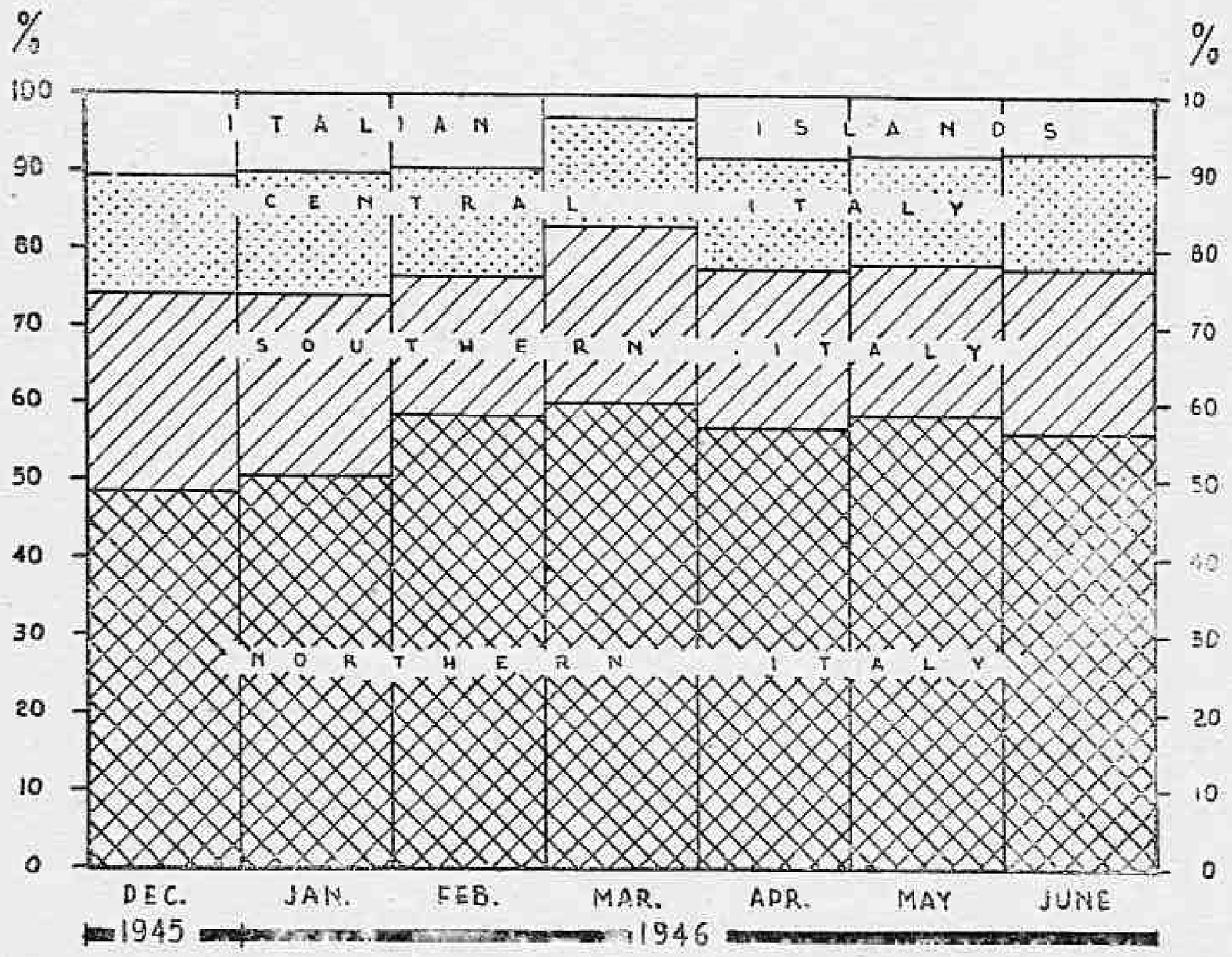
TABLE 5

PERCENT DISTRIBUTION, BY REGIONAL GROUPS, OF UNEMPLOYMENT TO TOTAL UNEMPLOYMENT IN ITALY FROM DEC. 1945 TO JUNE 1946




crowded industries to other industries (e.g. as part of a plan to revive the building industry).

41. The burden of carrying unnecessary employees weighs very heavily on many industries. It hampers progress in production and stands in the way of reduction of cost of production. It has the general effect of lowering individual performance throughout the industries concerned.

42. The Integration Fund from which partially unemployed workers are paid (see Table 18), during the

to be reliable enough, having in mind that in February 1946 there were in Lombardy 270,000 workers who were entitled to part-time benefits. Of these workers, 59,990 were temporarily discharged and 54,000 worked less than 20 hours per week.

*Measures Taken to Relieve Unemployment.*

43. Unemployment presents a problem found in many modern industrialised countries. In the United States it reached a peak between the two wars of 12 million

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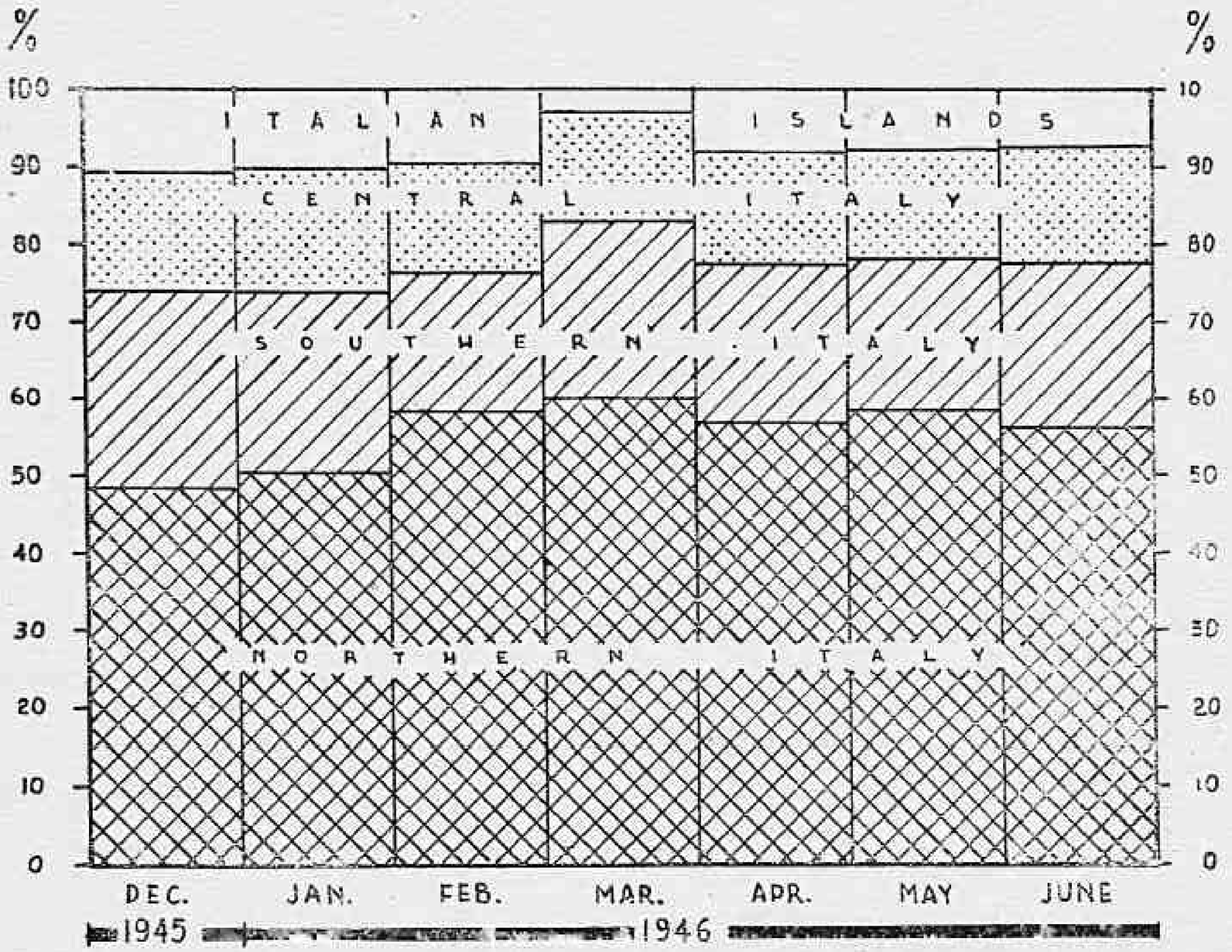


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crowded industries to other industries (e.g. as part of a plan to revive the building industry).

41. The burden of carrying unnecessary employees weighs very heavily on many industries. It hampers progress in production and stands in the way of reduction of cost of production. It has the general effect of lowering individual performance throughout the industries concerned.

42. The Integration Fund from which partially unemployed workers are paid (see Table 18), during the first quarter of 1946, paid out about 1,900 million lire at a monthly rate of about 650 million lire. On the assumption that the monthly average payment amounts to 3,000 lire per worker, about 220,000 workers have been working part-time. There are no up to date statistics on this subject: this estimate, however, seems to be reliable enough, having in mind that in February 1946 there were in Lombardy 270,000 workers who were entitled to part-time benefits. Of these workers, 59,990 were temporarily discharged and 54,000 worked less than 20 hours per week.

*Measures Taken to Relieve Unemployment.*

43. Unemployment presents a problem found in many modern industrialised countries. In the United States it reached a peak between the two wars of 12 million persons. In Great Britain unemployment was proportionately as severe. In some European countries planned unemployment insurance gives the worker some security, and public employment exchanges serve to bring the worker in touch with available jobs. Many of the steps taken to keep unemployed men at work

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## Italian Unemployment by Region and by Occupation

May and June 1946

TABLE 6

| Regions | Agriculture | | Industry | | Commerce | | Miscellaneous | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Number of unemployed | | | | | | | | | |
| | May | June | May | June | May | June | May | June | May | June |
| Piedmont | 1,471 | 952 | 45,911 | 47,345 | 1,479 | 4,722 | 33,908 | 35,468 | 85,805 | 88,481 |
| Liguria | 952 | 1,004 | 30,457 | 32,421 | 6,217 | 6,771 | 30,488 | 32,778 | 67,914 | 72,974 |
| Lombardy | 14,246 | 11,235 | 215,545 | 220,871 | 21,949 | 24,926 | 50,873 | 52,953 | 302,603 | 309,988 |
| Veneto | 819 | 1,191 | 7,221 | 7,952 | 2,018 | 2,282 | 4,867 | 5,478 | 14,925 | 16,903 |
| Venezia Tridentina | 18,402 | 11,357 | 167,811 | 167,812 | 13,777 | 13,825 | 19,023 | 20,293 | 219,016 | 216,287 |
| Emilia | 116,270 | 62,603 | 78,961 | 75,518 | 7,791 | 7,150 | 10,578 | 11,519 | 213,603 | 156,886 |
| NORTHERN ITALY | *152,153* | *91,342* | *545,645* | *551,922* | *56,231* | *59,676* | *149,737* | *158,489* | *903,766* | *861,619* |
| Tuscany | 4,314 | 1,269 | 68,688 | 70,623 | 15,856 | 17,215 | 29,843 | 30,574 | 118,731 | 122,691 |
| Marche | 4,329 | 3,501 | 26,027 | 25,531 | 1,541 | 1,869 | 2,939 | 4,084 | 35,836 | 34,988 |
| Umbria | 1,088 | 960 | 10,578 | 10,294 | 41 | 400 | 1,266 | 1,558 | 12,973 | 13,212 |
| Lazio | 6,519 | 7,451 | 31,015 | 36,144 | 11,433 | 13,854 | 1,594 | 1,702 | 50,592 | 59,454 |
| CENTRAL ITALY | *16,250* | *13,181* | *136,309* | *142,905* | *28,871* | *33,338* | *35,642* | *37,918* | *218,132* | *230,345* |
| Abruzzi and Molise | 13,883 | 13,729 | 34,915 | 34,565 | 1,579 | 1,703 | 3,681 | 3,708 | 54,058 | 53,696 |
| Campania | 21,582 | 20,765 | 31,201 | 51,689 | 5,559 | 7,648 | 48,057 | 62,810 | 109,402 | 142,910 |
| Puglie | 36,441 | 32,913 | 33,296 | 32,904 | 5,055 | 2,869 | 3,928 | 3,720 | 76,720 | 72,406 |
| Lucania | 9,411 | 4,254 | 4,150 | 3,525 | 181 | 195 | 713 | 741 | 14,455 | 8,715 |
| Calabria | 15,509 | 15,687 | 28,513 | 29,863 | 2,240 | 2,463 | 3,893 | 4,391 | 50,155 | 52,104 |
| SOUTHERN ITALY | *96,826* | *87,332* | *132,078* | *152,546* | *14,615* | *14,478* | *60,272* | *75,370* | *304,790* | *329,831* |
| Sicily | 16,092 | 13,982 | 48,807 | 48,734 | 16,104 | 14,476 | 9,617 | 12,215 | 90,620 | 89,407 |
| Sardinia | 14,137 | 6,184 | 11,449 | 10,593 | 2,303 | 2,450 | 903 | 973 | 28,790 | 20,200 |
| ITALIAN ISLANDS | *30,229* | *20,166* | *60,256* | *59,327* | *18,407* | *16,926* | *10,520* | *13,188* | *119,412* | *109,607* |
| TOTAL | 295,518 | 215,119 | 877,288 | 906,700 | 116,123 | 124,618 | 257,171 | 284,965 | 1,546,100 | 1,531,402 |

are much the same in most industrial countries. In Italy at the present time the following measures are being taken of which (b) is unusual:

(a) undertaking of public works;

(b) the dismissal of workers forbidden (see para. 40);

(c) grants to war veterans and cash relief to the unemployed;

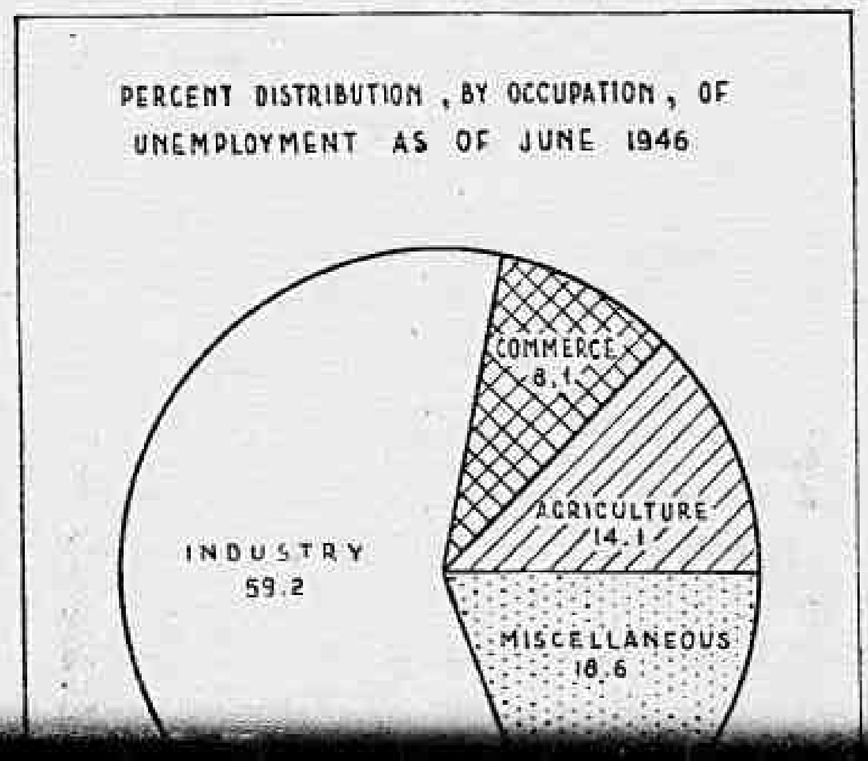
(d) the hiring of war veterans made compulsory (see paras. 27 to 29);

(e) loans made for the rehabilitation of industry and agriculture and for reconstruction work;

(f) land distribution to agricultural workers.

*Public Works.*

TABLE 7
(See para 31)

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| | May | June | May | June | May | June | May | June | May | June |
|---|---|---|---|---|---|---|---|---|---|---|
| Piedmont | 1,174 | 952 | 45,944 | 47,345 | 4,479 | 4,722 | 33,908 | 35,468 | 85,805 | 88,481 |
| Liguria | 952 | 1,004 | 30,157 | 32,421 | 6,217 | 6,771 | 30,488 | 33,778 | 67,814 | 72,974 |
| Lombardy | 14,236 | 11,235 | 215,545 | 220,874 | 21,949 | 24,926 | 50,873 | 52,953 | 302,603 | 309,988 |
| Veneto | 819 | 1,191 | 7,221 | 7,952 | 2,018 | 2,282 | 4,867 | 5,478 | 14,925 | 16,903 |
| Venezia Tridentina | 18,402 | 14,357 | 167,814 | 167,812 | 13,777 | 13,925 | 19,023 | 20,293 | 219,016 | 216,387 |
| Emilia | 116,270 | 62,693 | 78,964 | 75,518 | 7,791 | 7,150 | 10,578 | 11,519 | 213,603 | 156,886 |
| NORTHERN ITALY | *152,153* | *91,432* | *545,645* | *551,922* | *56,231* | *59,776* | *149,737* | *158,489* | *903,766* | *861,619* |
| Tuscany | 4,344 | 4,269 | 68,688 | 70,633 | 15,856 | 17,215 | 29,843 | 30,571 | 118,731 | 122,691 |
| Marche | 4,329 | 3,501 | 26,027 | 25,534 | 1,541 | 1,869 | 3,939 | 4,084 | 35,836 | 34,988 |
| Umbria | 1,088 | 960 | 10,578 | 10,294 | 41 | 400 | 1,266 | 1,558 | 12,973 | 13,212 |
| Lazio | 6,549 | 7,454 | 31,016 | 36,444 | 11,433 | 13,854 | 1,594 | 1,702 | 50,592 | 59,454 |
| CENTRAL ITALY | *16,310* | *16,184* | *136,309* | *142,905* | *28,871* | *33,338* | *36,642* | *37,918* | *218,132* | *230,345* |
| Abruzzi and Molise | 13,883 | 13,720 | 34,915 | 34,565 | 1,579 | 1,703 | 3,681 | 3,708 | 54,058 | 53,696 |
| Campania | 21,582 | 20,763 | 34,204 | 51,689 | 5,559 | 7,648 | 48,057 | 62,810 | 109,402 | 142,910 |
| Puglie | 36,441 | 32,913 | 33,296 | 32,904 | 3,055 | 2,869 | 3,928 | 3,720 | 76,720 | 72,406 |
| Lucania | 9,411 | 4,254 | 4,150 | 3,525 | 181 | 195 | 713 | 741 | 14,455 | 8,715 |
| Calabria | 15,509 | 15,687 | 28,513 | 29,863 | 2,240 | 2,163 | 3,893 | 4,391 | 50,155 | 52,104 |
| SOUTHERN ITALY | *96,826* | *87,337* | *135,078* | *152,546* | *12,614* | *14,578* | *69,272* | *75,370* | *304,790* | *329,851* |
| Sicily | 16,092 | 13,982 | 48,807 | 48,734 | 16,104 | 14,476 | 9,617 | 12,215 | 90,620 | 89,407 |
| Sardinia | 14,137 | 6,184 | 11,449 | 10,593 | 2,303 | 2,450 | 903 | 973 | 28,790 | 20,200 |
| ITALIAN ISLANDS | *30,229* | *20,166* | *60,256* | *59,327* | *18,407* | *16,926* | *10,520* | *13,188* | *119,412* | *109,607* |
| TOTAL | 295,518 | 215,119 | 877,288 | 906,700 | 116,123 | 124,618 | 257,171 | 284,965 | 1,546,100 | 1,531,402 |

are much the same in most industrial countries. In Italy at the present time the following measures are being taken of which (b) is unusual:

(a) undertaking of public works;

(b) the dismissal of workers forbidden (see para. 40);

(c) grants to war veterans and cash relief to the unemployed;

(d) the hiring of war veterans made compulsory (see paras. 27 to 29);

(e) loans made for the rehabilitation of industry and agriculture and for reconstruction work;

(f) land distribution to agricultural workers.

*Public Works.*

44. As regards para 43 (a), the public works in 1946 consist mainly of repair to war damage. During the financial year 1945-46 the expenditure on public works amounted to 173,600 million lire out of a total Government expenditure of 461,000 million lire. The Ministry of Public Works alone spent 85,400 million lire in the

TABLE 7
(See para 31)

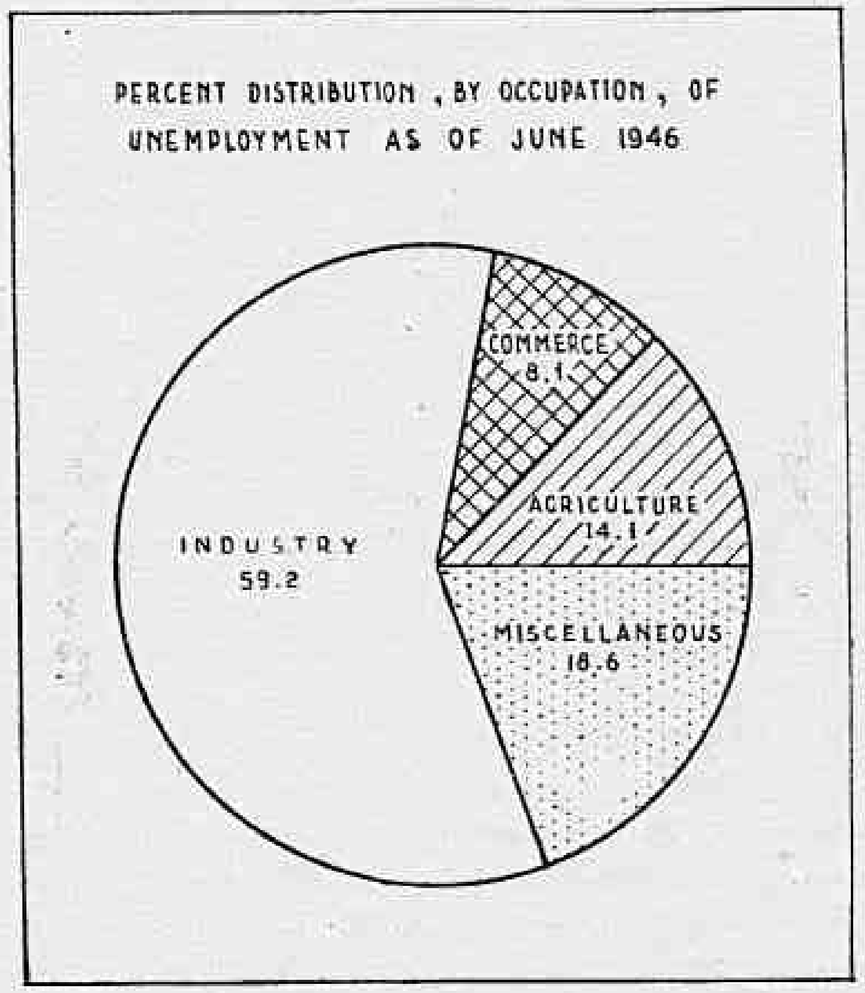


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TABLE 8

Italian Occupational Unemployment: Percentage of Unemployment in each Occupational group to total Unemployment in the Region: June 1946

| Regions | Agriculture | Industry | Commerce | Miscellaneous | Total |
|---|---|---|---|---|---|
| Piedmont | 1.1 | 53.5 | 5.3 | 40.1 | 100.0 |
| Liguria | 1.4 | 44.4 | 9.3 | 44.9 | 100.0 |
| Lombardy | 3.6 | 71.3 | 8.0 | 17.1 | 100.0 |
| Venezia Tridentina | 7.1 | 47.0 | 13.5 | 32.4 | 100.0 |
| Veneto | 6.6 | 77.6 | 6.4 | 9.4 | 100.0 |
| Emilia | 40.0 | 48.1 | 4.6 | 7.3 | 100.0 |
| *NORTHERN ITALY* | *10.6* | *64.1* | *6.9* | *18.4* | *100.0* |
| Tuscany | 3.5 | 57.6 | 14.0 | 24.9 | 100.0 |
| Marche | 10.0 | 73.0 | 5.3 | 11.7 | 100.0 |
| Umbria | 7.3 | 77.9 | 3.0 | 11.8 | 100.0 |
| Lazio | 12.5 | 61.3 | 23.3 | 2.9 | 100.0 |
| *CENTRAL ITALY* | *7.0* | *62.0* | *14.5* | *16.5* | *100.0* |
| Abruzzi and Molise | 25.5 | 64.4 | 3.2 | 6.9 | 100.0 |
| Campania | 14.4 | 36.2 | 5.4 | 44.0 | 100.0 |
| Puglie | 45.5 | 45.4 | 4.0 | 5.1 | 100.0 |
| Lucania | 48.6 | 40.5 | 2.2 | 8.5 | 100.0 |
| Calabria | 30.1 | 57.3 | 4.2 | 8.4 | 100.0 |
| *SOUTHERN ITALY* | *26.5* | *46.2* | *4.4* | *22.9* | *100.0* |
| Sicily | 15.6 | 54.5 | 16.2 | 13.7 | 100.0 |
| Sardinia | 30.6 | 52.5 | 12.1 | 4.8 | 100.0 |
| *ITALIAN ISLANDS* | *18.4* | *54.1* | *15.5* | *12.0* | *100.0* |
| TOTAL | 14.1 | 59.2 | 8.1 | 18.6 | 100.0 |

year 1945-46. Employment on the projects carried out by that Ministry during 1945, was given to 75,847 workers. During the months of April, May and June 1946 respectively, 168,000, 164,000 and 166,000 laborers were employed on public works.

45. For the year 1946-47 the Ministry of Public Works has allocated 25,384 million lire to public works. The total authorised expenses are 68,875 million lire plus 15,000 million under consideration by the Council of Ministers. At a meeting on 23 August 1946, the Ministers of Public Works, Transport and Agriculture, have proposed much larger sums to relieve unemployment.

*Relief to the Unemployed and War Veterans.*

employed war veteran receives the following daily aid (over a maximum period of 180 days):

(a) to the war veterans: 20 lire;
(b) to every dependent child not over 15: 14 lire;
(c) for the wife and each child between the age of 15 and 18: 17 lire;
(d) for every child over 18 and for each parent totally unable to work and dependent on him: 17 lire.

There are in addition other occasional special allowances.

*Subsidies and Credits to Industry.*

47. From November 1944 to June 1946 (Decree of

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| | | | | | |
|---|---|---|---|---|---|
| Piedmont | 1.1 | 53.5 | 5.3 | 40.1 | 100.0 |
| Liguria | 1.4 | 44.4 | 9.3 | 44.9 | 100.0 |
| Lombardy | 3.6 | 71.3 | 8.0 | 17.1 | 100.0 |
| Venezia Tridentina | 7.1 | 47.0 | 13.5 | 32.4 | 100.0 |
| Veneto | 6.6 | 77.6 | 6.4 | 9.4 | 100.0 |
| Emilia | 40.0 | 48.1 | 4.6 | 7.3 | 100.0 |
| *NORTHERN ITALY* | *10.6* | *64.1* | *6.9* | *18.4* | *100.0* |
| Tuscany | 3.5 | 57.6 | 14.0 | 24.9 | 100.0 |
| Marche | 10.0 | 73.0 | 5.3 | 11.7 | 100.0 |
| Umbria | 7.3 | 77.9 | 3.0 | 11.8 | 100.0 |
| Lazio | 12.5 | 61.3 | 23.3 | 2.9 | 100.0 |
| *CENTRAL ITALY* | *7.0* | *62.0* | *14.5* | *16.5* | *100.0* |
| Abruzzi and Molise | 25.5 | 64.4 | 3.2 | 6.9 | 100.0 |
| Campania | 14.4 | 36.2 | 5.4 | 44.0 | 100.0 |
| Puglie | 45.5 | 45.4 | 4.0 | 5.1 | 100.0 |
| Lucania | 48.6 | 40.5 | 2.2 | 8.5 | 100.0 |
| Calabria | 30.1 | 57.3 | 4.2 | 8.4 | 100.0 |
| *SOUTHERN ITALY* | *26.5* | *46.2* | *4.4* | *22.9* | *100.0* |
| Sicily | 15.6 | 54.5 | 16.2 | 13.7 | 100.0 |
| Sardinia | 30.6 | 52.5 | 12.1 | 4.8 | 100.0 |
| *ITALIAN ISLANDS* | *18.4* | *54.1* | *15.5* | *12.0* | *100.0* |
| TOTAL | 14.1 | 59.2 | 8.1 | 18.6 | 100.0 |

year 1945-46. Employment on the projects carried out by that Ministry during 1945, was given to 75,847 workers. During the months of April, May and June 1946 respectively, 168,000, 164,000 and 166,000 laborers were employed on public works.

45. For the year 1946-47 the Ministry of Public Works has allocated 25,384 million lire to public works. The total authorised expenses are 68.875 million lire plus 15.000 million under consideration by the Council of Ministers. At a meeting on 23 August 1946, the Ministers of Public Works, Transport and Agriculture, have proposed much larger sums to relieve unemployment.

*Relief to the Unemployed and War Veterans.*

46. As regards para 43 (c), the Ministry of Post-War Assistance has, during the period 15 September 1945 to 15 June 1946, disbursed through the Prefects to needy unemployed war veterans 3,986 million lire, equal to about 443 million lire per month. Each needy unemployed war veteran receives the following daily aid (over a maximum period of 180 days):

(a) to the war veterans: 20 lire;
(b) to every dependent child not over 15: 14 lire;
(c) for the wife and each child between the age of 15 and 18: 17 lire;
(d) for every child over 18 and for each parent totally unable to work and dependent on him: 17 lire.

There are in addition other occasional special allowances.

*Subsidies and Credits to Industry.*

47. From November 1944 to June 1946 (Decree of November 1944 No. 367, June 1945 No. 313, April 1946 No. 360 and June 1946 No. 562) credits for 20,000 million lire were granted to industry. The State guarantees the loans and pays the interest, up to 3 %, over a maximum period of four years. The loans are to be re-paid by the industries to the lending banks.

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TABLE 9

Italian Occupational Unemployment: Percentage for each Occupational group of Unemployment in each Region to Unemployment in the whole country in each occupational group: June 1946

| Regions | Agriculture | Industry | Commerce | Miscellaneous | Total |
|---|---|---|---|---|---|
| | % | % | % | % | % |
| Piedmont | 0.4 | 5.2 | 3.9 | 12.5 | 5.8 |
| Liguria | 0.5 | 3.6 | 5.4 | 11.5 | 4.8 |
| Lombardy | 3.2 | 21.4 | 20.6 | 18.6 | 20.3 |
| Venezia Tridentina | 0.6 | 0.9 | 1.8 | 1.9 | 1.1 |
| Veneto | 6.7 | 18.5 | 11.2 | 7.1 | 14.1 |
| Emilia | 29.1 | 8.5 | 5.7 | 4.0 | 10.2 |
| NORTHERN ITALY | 42.5 | 60.9 | 48.0 | 55.6 | 56.3 |
| Tuscany | 2.0 | 7.8 | 13.8 | 10.7 | 8.0 |
| Marche | 1.6 | 2.8 | 1.3 | 1.4 | 2.3 |
| Umbria | 0.4 | 1.1 | 0.3 | 0.6 | 0.9 |
| Lazio | 3.5 | 4.0 | 11.1 | 0.6 | 3.9 |
| CENTRAL ITALY | 7.5 | 15.7 | 26.7 | 13.3 | 15.1 |
| Abruzzi and Molise | 6.1 | 3.8 | 1.4 | 1.3 | 3.5 |
| Campania | 9.6 | 5.7 | 6.1 | 22.0 | 9.3 |
| Puglie | 15.3 | 3.6 | 2.3 | 1.3 | 4.7 |
| Lucania | 2.0 | 0.1 | 0.2 | 0.3 | 0.6 |
| Calabria | 7.3 | 0.3 | 1.7 | 1.6 | 3.4 |
| SOUTHERN ITALY | 50.0 | 16.8 | 11.7 | 26.7 | 21.5 |
| Sicily | 6.5 | 5.4 | 11.6 | 4.3 | 5.8 |
| Sardinia | 2.9 | 1.2 | 2.0 | 0.3 | 1.3 |
| ITALIAN ISLANDS | 9.4 | 6.6 | 13.6 | 4.6 | 7.1 |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

48. About 200 firms have so far benefited from these loans. Legislative decree (1) No. 449 of 8 May 1946 provided a general rule for the granting of credits to industries (before that date every case was examined individually). The law-decree of 8 May 1946 provided that loans for the rehabilitation or reconversion of industries of a general character or of a special economic and social utility, must be granted through the Istituto Mobiliare Italiano (I.M.I. - Italian Institute for long-term loans). The I.M.I. can grant loans to those industries not contemplated in previous legislation (see Decree No. 376 of November 1944 and later Decrees

*Distribution of Land to Agricultural Workers.*

49. To alleviate the unemployment situation in agriculture, the Government decreed (19 Oct. 1944) that land should be given to associations of small farmers and workers (properly constituted into co-operative or other societies). The decree provides that such associations may obtain concessions of private or public land which is not under cultivation or which is insufficiently cultivated. Applications are granted by a Provincial Commission which preserves cultivation conditions. Rents are agreed between the landowner and the as- [illegible] the Commission intervening in the absence

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| Regions | Agriculture | Industry | Commerce | Miscellaneous | Total |
|---|---|---|---|---|---|
| | % | % | % | % | % |
| Piedmont | 0.4 | 5.2 | 3.9 | 12.5 | 5.8 |
| Liguria | 0.5 | 3.6 | 5.4 | 11.5 | 4.8 |
| Lombardy | 5.2 | 24.4 | 20.0 | 18.6 | 20.3 |
| Venezia Tridentina | 0.6 | 0.9 | 1.8 | 1.9 | 1.1 |
| Veneto | 6.7 | 18.5 | 11.2 | 7.1 | 14.1 |
| Emilia | 29.1 | 8.3 | 5.7 | 4.0 | 10.2 |
| NORTHERN ITALY | 43.5 | 60.9 | 48.0 | 55.6 | 56.3 |
| Tuscany | 2.9 | 7.8 | 13.8 | 10.7 | 8.0 |
| Marche | 1.6 | 2.8 | 1.5 | 1.4 | 2.3 |
| Umbria | 0.4 | 1.1 | 0.8 | 0.6 | 0.9 |
| Lazio | 2.5 | 4.0 | 11.1 | 0.6 | 3.9 |
| CENTRAL ITALY | 7.5 | 15.7 | 26.7 | 13.3 | 15.1 |
| Abruzzi and Molise | 6.4 | 3.8 | 1.4 | 1.8 | 3.5 |
| Campania | 9.6 | 5.7 | 6.1 | 22.0 | 9.3 |
| Puglie | 15.3 | 3.6 | 2.3 | 1.3 | 4.7 |
| Lucania | 2.0 | 0.4 | 0.2 | 0.3 | 0.6 |
| Calabria | 7.3 | 2.3 | 1.7 | 1.6 | 3.4 |
| SOUTHERN ITALY | 40.6 | 16.8 | 11.7 | 26.5 | 21.3 |
| Sicily | 6.5 | 5.4 | 11.6 | 4.3 | 5.8 |
| Sardinia | 2.9 | 1.2 | 2.0 | 0.3 | 1.3 |
| ITALIAN ISLANDS | 9.4 | 6.6 | 13.6 | 4.6 | 7.1 |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

48. About 200 firms have so far benefited from these loans. Legislative decree (1) No. 449 of 8 May 1946 provided a general rule for the granting of credits to industries (before that date every case was examined individually). The law-decree of 8 May 1946 provided that loans for the rehabilitation or reconversion of industries of a general character or of a special economic and social utility, must be granted through the Istituto Mobiliare Italiano (I.M.I. - Italian Institute for long-term loans). The I.M.I. can grant loans to those industries not contemplated in previous legislation (see Decree No. 376 of November 1944 and later Decrees referred to in para. 37). I.M.I. is empowered to grant loans up to a total of 8,000 million lire.

(1) Legislative decrees are referred to as law-decrees hereafter.

*Distribution of Land to Agricultural Workers.*

49. To alleviate the unemployment situation in agriculture, the Government decreed (19 Oct. 1944) that land should be given to associations of small farmers and workers (properly constituted into co-operative or other societies). The decree provides that such associations may obtain concessions of private or public land which is not under cultivation or which is insufficiently cultivated. Applications are granted by a Provincial Commission which preserves cultivation conditions. Rents are agreed between the landowner and the association, the Commission intervening in the absence of agreement between the parties. Leases were to be for not more than four years. By 31 December 1945, 40,000 hectares of land had been granted under the provisions of the decree. Of this area, 22,000 hectares have been granted by prefect-decrees and 18,000 by

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agreements between the parties. Applications were made for a total of 136,000 hectares, mainly in Southern Italy. 1,119 applications have been accepted and 2,318 have been rejected. Under a revised decree of August 1946 the lease was extended to a maximum of nine years, or 20 years for timber land.

### *The Effect of UNRRA Operations on Employment in Italy.*

50. UNRRA has allocated for industrial rehabilitation more than 127 million dollars (excluding freight). UNRRA has given considerable assistance in the alleviation of unemployment, mostly by importing solid and liquid fuels and essential raw materials and by aiding the building industry. UNRRA has substantially contributed in this way to the reduction of unemployment. Had the importation of solid and liquid fuels been lacking, industry and transportation would have been almost completely idle. Unemployment would probably have risen to the equivalent of two thirds the total pre-war employment in industry and transport, in which 4.7 million persons are employed. The unemployed would have increased from the present 1.5 million (60 % of the 2.5 million as calculated in para. 26) to at least 3 million, and the net unemployment increase would have been 1.5 million workers (1).

51. Free food is given every day to about 2 million persons, i.e., children not over 15, expectant and nursing mothers. On 15 August 1946 UNRRA had distributed to Italians 3,935,378 clothing items and 792,148 pairs of shoes. By a law of 20 May 1946 it was provided that the works contemplated in the relief and reconstruction plans worked out jointly between the Italian Government and UNRRA were to be considered not only of a public utility character in their legal aspects but also as urgent and not to be postponed. One instance of the value of this cooperation may be seen in the additional labor given as a result of the allocation of the Lira Fund (2) to reconstructive work, to its influence in limiting inflation and thus of giving more buoyancy to the country's economy.

### *Emigration.*

52. In normal times, emigration has acted as a safety valve in reducing unemployment in overcrowded Italy. Even in normal times, when economic efficiency was at its peak, industrial, agricultural and commercial activities could not absorb the natural population growth of working age (equal to 400,000 persons per year) or even the young workers, who represent a valuable asset at home. America no longer provides Italy with the relief from economic pressure as was formerly the case. In the XIX century America afforded a ready outlet for Italian surplus labor which contributed much to the industrial and transportation development of the U.S. In the XX century however unemployment and fear by American labor of a reduction in living standards had caused restrictive measures to be taken. Italy's emigration from 1891 to 1940 is shown in the following table. The period of highest emigration was from 1901 to 1913. 1913 was the peak year—872,000 emigrants, 377,000 of whom went to U.S. After 1918 there was a sharp fall in emigration, particularly to overseas countries. This was the result of (a) fascist policy (which was strongly opposed to emigration), and (b) to the U.S. quota on immigration. From 1921 onwards emigration to overseas countries was less than to European countries. The emigration to European countries was mainly temporary and mainly to France. Official statistics show that for the first time in the history of Italian emigration there was, in the period 1931 to 1938, a surplus of repatriation over emigration. In the peak year, 1931, 125,000 more persons were repatriated than emigrated and in the lowest year, 1936, 42,000 persons.

5319

Italian Emigration: 1891-1940

| Yearly averages and peak year | Total | | To | | |
|---|---|---|---|---|---|
| | No. of emigrants | per 100,000 inhabitants | European countries | Extra-European countries | |
| | | | | Total | of whom to U.S.A. |
| 1891–1895 | 256,511 | 830.8 | 109,067 | 147,444 | 41,319 |
| (1891) | (293,631) | (964.1) | (106,056) | (187,575) | (44,359) |
| 1896–1900 | 310,435 | 972.3 | 148,534 | 161,901 | 61,546 |
| (1900) | (352,782) | (1,090.6) | (186,279) | (166,503) | (87,714) |
| 1901–1905 | 554,050 | 1,681.9 | 244,808 | 309,242 | 199,670 |
| (1905) | (726,331) | (2,188.2) | (279,248) | (447,083) | (316,797) |
| 1906–1910 | 651,288 | 1,908.6 | 237,594 | 393,694 | 266,220 |
| (1906) | (787,977) | (2,304.5) | (276,042) | (511,935) | (358,569) |
| 1911–1915 | 548,612 | 1,546.4 | 243,535 | 305,077 | 210,940 |
| (1913) | (872,598) | (2,463.6) | (313,032) | (559,566) | (376,776) |
| 1916–1920 | 217,001 | 595.9 | 95,754 | 121,247 | 102,416 |
| (1920) | (614,611) | (1,690.1) | (205,273) | (409,239) | (349,042) |
| 1921–1925 | 303,264 | 787.1 | 172,360 | 130,904 | 45,194 |
| (1923) | (389,957) | (1,012.7) | (205,273) | (184,684) | (51,740) |
| 1926–1930 | 212,245 | 528.5 | 122,872 | 89,373 | 32,529 |
| (1930) | (280,097) | (685.0) | (220,985) | (59,112) | (22,064) |

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*The Effect of UNRRA Operations on Employment in Italy.*

50. UNRRA has allocated for industrial rehabilitation more than 127 million dollars (excluding freight). UNRRA has given considerable assistance in the alleviation of unemployment, mostly by importing solid and liquid fuels and essential raw materials and by aiding the building industry. UNRRA has substantially contributed in this way to the reduction of unemployment. Had the importation of solid and liquid fuels been lacking, industry and transportation would have been almost completely idle. Unemployment would probably have risen to the equivalent of two thirds the total pre-war employment in industry and transport, in which 4.7 million persons are employed. The unemployed would have increased from the present 1.5 million (60 % of the 2.5 million as calculated in para. 26) to at least 3 million, and the net unemployment increase would have been 1.5 million workers (1).

51. Free food is given every day to about 2 million persons, i.e., children not over 15, expectant and nursing mothers. On 15 August 1946 UNRRA had distributed to Italians 3,935,378 clothing items and 792,148 pairs of shoes. By a law of 20 May 1946 it was provided that the works contemplated in the relief and reconstruction plans worked out jointly between the Italian Government and UNRRA were to be considered not only of a public utility character in their legal aspects but also as urgent and not to be postponed. One instance of the value of this cooperation may be seen in the additional labor given as a result of the allocation of the Lira Fund (2) to reconstructive work, to its influence in limiting inflation and thus of giving more buoyancy to the country's economy.

*Emigration.*

52. In normal times, emigration has acted as a safety valve in reducing unemployment in overcrowded Italy. Even in normal times, when economic efficiency was at its peak, industrial agricultural and commercial activity was unable to absorb the whole of the increase in the working population. Emigration was welcomed for Italian surplus labor which contributed much to the industrial and transportation development of the U.S. In the XX century however unemployment and fear by American labor of a reduction in living standards had caused restrictive measures to be taken. Italy's emigration from 1891 to 1940 is shown in the following table. The period of highest emigration was from 1901 to 1913. 1913 was the peak year—872,000 emigrants, 377,000 of whom went to U.S. After 1918 there was a sharp fall in emigration, particularly to overseas countries. This was the result of (a) fascist policy (which was strongly opposed to emigration), and (b) to the U.S. quota on immigration. From 1921 onwards emigration to overseas countries was less than to European countries. The emigration to European countries was mainly temporary and mainly to France. Official statistics show that for the first time in the history of Italian emigration there was, in the period 1931 to 1933, a surplus of repatriation over emigration. In the peak year, 1931, 125,000 more persons were repatriated than emigrated and in the lowest year, 1936, 42,000 persons.

5319

Italian Emigration: 1891-1940

| Yearly averages and peak year | Total | | To | | |
|---|---|---|---|---|---|
| | No. of emigrants | per 100,000 inhabitants | European countries | Extra-European countries | |
| | | | | Total | of whom to U.S.A. |
| 1891–1895 (1891) | 256,511 (293,631) | 830.8 (964.1) | 109,067 (106,056) | 147,444 (187,575) | 41,319 (44,359) |
| 1896–1900 (1900) | 310,435 (352,782) | 972.3 (1,090.6) | 148,531 (186,279) | 161,901 (166,503) | 61,546 (87,714) |
| 1901–1905 (1905) | 554,050 (726,331) | 1,681.9 (2,188.2) | 244,808 (279,248) | 309,242 (447,083) | 199,670 (316,797) |
| 1906–1910 (1906) | 651,288 (787,977) | 1,908.6 (2,364.5) | 257,594 (276,042) | 393,694 (511,935) | 266,220 (358,569) |
| 1911–1915 (1913) | 548,612 (872,598) | 1,546.4 (2,463.6) | 243,535 (313,032) | 305,077 (559,566) | 210,940 (376,776) |
| 1916–1920 (1920) | 217,001 (614,611) | 595.9 (1,690.1) | 95,754 (205,273) | 121,247 (409,239) | 102,416 (349,042) |
| 1921–1925 (1923) | 303,264 (389,057) | 787.4 (1,012.7) | 172,360 (205,273) | 130,904 (184,684) | 45,194 (51,740) |
| 1926–1930 (1930) | 212,245 (280,097) | 528.5 (685.0) | 122,872 (220,985) | 89,373 (59,112) | 32,529 (22,064) |
| 1931–1935 (1931) | 91,628 (165,860) | 218.6 (402.8) | 63,447 (125,079) | 28,181 (40,781) | 13,244 (18,351) |
| 1936–1940 (1938) | 48,901 (61,548) | 111.7 (140.6) | 29,172 (33,554) | 19,729 (27,994) | 9,683 (12,197) |

Source: Central Institute of Statistics, Rome.

(1) See Health and Welfare Supplement to "Economic Notes" Vol. 1, No. 34, Table 27.

(2) For lira fund see supplement to "Economic Notes" Vol. 1 No. 31 p.p. 59-61.

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53. The present slow rate of industrial, agricultural and commercial rehabilitation which results in large scale unemployment, make the emigration problem particularly urgent.

54. It will probably be some time before large scale emigration can be resumed. So far (August 1946) 50,000 miners have been requested by Belgium, but only a little over 10,000 men have left the country. France has asked for 20,000 miners, but the departure of these men has only just begun. Seasonal emigration to Switzerland will absorb about 6,500 persons in 1946. Czechoslovakia has asked for 5,000 labourers. Plans are being discussed for a large emigration to Brazil. The greater emphasis now placed in sparsely populated overseas countries on obtaining industrial workers, whereas formerly the emphasis was on agriculture, may offer opportunities in the next decade for a larger emigration of Italian population.

## *LABOR PROBLEMS*

### *Organization of Labor.*

55. Prior to fascism, Socialist Labor Unions in Italy claimed 2,200,000 members, Christian Labor Unions 1,000,000 and Syndicalist Unions 200,000.

56. Fascism dissolved all (then existing) trade associations and by the law of 3 April 1926, made legal recognition and Government authorization a pre-requisite for association. This recognition was reserved exclusively for fascist syndicates, which thus enjoyed a legal monopoly and had the exclusive privilege of concluding collective labor agreements. One of the requirements for the admission of members was "good political conduct." In December, 1938, membership of fascist syndicates was reported to be:

| | |
|---|---|
| Confederation of Agriculture . . . . . | 3,768,904 |
| .. .. Industry . . . . . | 3,097,403 |
| .. .. Commerce . . . . . | 569,725 |
| .. .. Banking & Insurance . . | 70,842 |
| .. .. Professional Workers . . | 162,139 |
| TOTAL . . . | 7,669,013 |

57. After the collapse of fascism the Confederazione Italiana dei Lavoratori (C.I.L. - Italian Confederation of Workers), Catholic, founded in 1918. The new Confederation held its first general meeting in Naples in January, 1945, attended by 319 delegates representing 994,496 workers. Membership was then said to be 1,200,000. The aim of the organization is the unification of labor activities of socialists, communists and christian-democrats. A tripartite organization was, in fact, set up with three Joint Secretaries (one socialist, one communist, one christian-democrat).

58. This organization, named the Italian Confederation of Labor, with its main office in Rome, claimed as at 31 December 1945 a membership of 5,500,000. The trade unions represented by this Confederation relate to agriculture, industry, commerce, banking, insurance and the civil service.

59. The Confederation consists of groups of national labor trade federations, all having their main offices in Rome. The groups include the building industry, mines, quarries, metallurgic industry, aeronautical workers, agriculture, banking and schools. Within each federation there are labor trade unions (for instance within the agricultural workers' federation there are labor unions of agricultural migratory workers, of husbandmen and of agricultural assessors).

60. In each province there is a Chamber of Labor. Each provincial Chamber of Labor is responsible to the Confederation, although it is independent in its administrative services and staff matters. The provincial Chamber of Labor in turn consists of groups of provincial labor trade unions, which in the central organization make up the national labor trade federations.

61. To follow the chain still further, within each province there are Camere del Lavoro Circondariali o Mandamentali (County Chambers of Labor) which are responsible to the provincial Chambers of Labor, while lower down communal Chambers of Labor (grouping the labor trade unions in the communal area) are responsible to the County Chambers of Labor. Affiliation to these County Chambers of Labor is optional and some unions have remained outside the organization.

62. These independent unions are comparatively small in membership and importance, one of the largest being the Unione Sindacale Italiana dei Lavoratori (U.S.I.L. - Union Syndicate of Laborers) in Rome, with

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emigration can be resumed. So far (August 1946) 50.000 miners have been requested by Belgium, but only a little over 10,000 men have left the country. France has asked for 20.000 miners, but the departure of these men has only just begun. Seasonal emigration to Switzerland will absorb about 6.500 persons in 1946. Czechoslovakia has asked for 5.000 labourers. Plans are being discussed for a large emigration to Brazil. The greater emphasis now placed in sparsely populated overseas countries on obtaining industrial workers, whereas formerly the emphasis was on agriculture, may offer opportunities in the next decade for a larger emigration of Italian population.

## *LABOR PROBLEMS*

### *Organization of Labor.*

55. Prior to fascism, Socialist Labor Unions in Italy claimed 2,200,000 members, Christian Labor Unions 1.000.000 and Syndicalist Unions 200,000.

56. Fascism dissolved all (then existing) trade associations and by the law of 3 April 1926, made legal recognition and Government authorization a pre-requisite for association. This recognition was reserved exclusively for fascist syndicates, which thus enjoyed a legal monopoly and had the exclusive privilege of concluding collective labor agreements. One of the requirements for the admission of members was "good political conduct." In December, 1938, membership of fascist syndicates was reported to be:

| | |
|---|---|
| Confederation of Agriculture . . . . . | 3.768.904 |
| .. .. Industry . . . . . | 3.097.403 |
| .. .. Commerce . . . . . | 569.725 |
| .. .. Banking & Insurance . . | 70.842 |
| .. .. Professional Workers . . | 162.139 |
| TOTAL . . . | 7.669.013 |

57. After the collapse of fascism the Confederazione Generale Italiana del Lavoro (C.G.I.L. - Italian General Confederation of Labor) was established at Bari on 21 January 1944, as an amalgamation of two labor organizations which had existed before the fascist regime, i.e. the Confederazione Generale del Lavoro (C.G.L. - General Confederation of Labor), Socialist-Communist, founded in 1906, and the Confederazione 1.200.000. The aim of the organization is the unification of labor activities of socialists, communists and christian-democrats. A tripartite organization was, in fact, set up with three Joint Secretaries (one socialist, one communist, one christian-democrat).

58. This organization, named the Italian Confederation of Labor, with its main office in Rome, claimed as at 31 December 1945 a membership of 5,500,000. The trade unions represented by this Confederation relate to agriculture, industry, commerce, banking, insurance and the civil service.

59. The Confederation consists of groups of national labor trade federations, all having their main offices in Rome. The groups include the building industry, mines, quarries, metallurgic industry, aeronautical workers, agriculture, banking and schools. Within each federation there are labor trade unions (for instance within the agricultural workers' federation there are labor unions of agricultural migratory workers, of husbandmen and of agricultural assessors).

60. In each province there is a Chamber of Labor. Each provincial Chamber of Labor is responsible to the Confederation, although it is independent in its administrative services and staff matters. The provincial Chamber of Labor in turn consists of groups of provincial labor trade unions, which in the central organization make up the national labor trade federations.

61. To follow the chain still further, within each province there are Camere del Lavoro Circondariali o Mandamentali (County Chambers of Labor) which are responsible to the provincial Chambers of Labor, while lower down communal Chambers of Labor (grouping the labor trade unions in the communal area) are responsible to the County Chambers of Labor. Affiliation to these County Chambers of Labor is optional and some unions have remained outside the organization.

62. These independent unions are comparatively small in membership and importance, one of the largest being the Unione Sindacale Italiana dei Lavoratori (U.S.I.L. - Union Syndicate of Laborers) in Rome, with an alleged membership of 300,000. Members of this organization are mainly from southern Italy. The trade most represented is that of agricultural worker and market gardener.

63. In January 1946, a confederation of civil servants was instituted with main offices in Rome.

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64. "Coltivatori diretti" (small holders, farm lessees, etc.) got together in two associations: Confederazione Nazionale dei Coltivatori Diretti (C.N.C.D. - National Confederation of Small Holders), Federazione Italiana Coltivatori Diretti (F.I.C.D. - Italian Federation of Small Holders).

## *AGREEMENTS*

65. With the dissolution of the fascist labor unions and the growth of the new Unions, it has become important to find a solution to the wage problem, applicable to the whole of Italy. Previously, overall policies were not in force. Such agreements as were in existence covered particular trades or branches of industry.

### *Industry:*

(a) *Agreements for Salary Adjustments.*

66. During the German occupation and the first period of the liberation of Italian territory, salaries of industrial workers had become more and more differentiated from province to province and from locality to locality. This differentiation was partly due to the deterioration since the war in transportation and communications. There was also a pressing necessity to raise wages owing to the ever-increasing cost of living. Some increase had taken place, but at rates differing from place to place and from industry to industry. These salary differences brought about numerous labor disputes.

67. To overcome this dangerous situation, an agreement for Northern Italy was arrived at between employers and workers in December 1945 and another agreement for Central and Southern Italy in May 1946.

68. The December 1945 agreement, which aimed at granting the worker a living wage, provided broadly for:

(a) uniformity of wages and salaries throughout the North of Italy (traditional differentiations as between trades and districts being maintained);

(b) a yardstick against which wages could be automatically revised and kept in line with the cost of Northern Italy. Categories of workers were also split into groups ("A." "B" and "C") according to the industry in which they were employed.

70. The following table shows the wages per hour, in lire, applied from December 1945 to each type of worker in the three areas for each group.

TABLE 10

Minimum wages (excluding allowances) paid per hour in Lire for men workers over 20 in Northern Italy 1946

| Group | Area (5) | Skilled workers (1) | Semi-skilled workers (2) | Unskilled workers (3) | Laborers (4) |
|---|---|---|---|---|---|
| A | 1 | 21.00 | 19.00 | 17.90 | 16.50 |
| | 2 | 19.75 | 17.85 | 16.85 | 15.50 |
| | 3 | 18.70 | 16.90 | 15.95 | 14.70 |
| B | 1 | 20.00 | 17.90 | 17.00 | 15.60 |
| | 2 | 18.80 | 16.85 | 16.00 | 14.65 |
| | 3 | 17.80 | 16.20 | 15.15 | 14.00 |
| C | 1 | 19.00 | 17.00 | 16.50 | 14.80 |
| | 2 | 17.85 | 16.00 | 15.20 | 14.00 |
| | 3 | 16.90 | 15.15 | 14.40 | 14.00 |

Source: Confederazione Generale dell' Industria Italiana.

(1) Specializzati.
(2) Qualificati.
(3) Manovali specializzati.
(4) Manovali comuni.
(5) Northern Area 1 - Milan, Genoa, Turin. Area 2 - Bologna, Savona, La Spezia, etc. Area 3 - Reggio Emilia, Verona, etc.

Workers in the following trades fall within the following groups (see Table 10):

Group A: mechanical, building, wood industries, etc.
" B: rubber manufacturing, tanning chemical industries, etc.
" C: paper, brush and clothing industries, etc.

71. The scale in Table 10, was not firm. Provision was made for variations according to the ages and classes of employees. For instance, male workers between 18 and 20 years of age received wages 10 % lower than those indicated in the Table while male workers from 16 to 18 years of age and female workers of over 18 years are provided for at 30 % lower rates than the scale indicated.

72. The automatic revision of wages was provided for

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Small Workers).

## *AGREEMENTS*

65. With the dissolution of the fascist labor unions and the growth of the new Unions, it has become important to find a solution to the wage problem, applicable to the whole of Italy. Previously, overall policies were not in force. Such agreements as were in existence covered particular trades or branches of industry.

### *Industry:*

(a) *Agreements for Salary Adjustments.*

66. During the German occupation and the first period of the liberation of Italian territory, salaries of industrial workers had become more and more differentiated from province to province and from locality to locality. This differentiation was partly due to the deterioration since the war in transportation and communications. There was also a pressing necessity to raise wages owing to the ever-increasing cost of living. Some increase had taken place, but at rates differing from place to place and from industry to industry. These salary differences brought about numerous labor disputes.

67. To overcome this dangerous situation, an agreement for Northern Italy was arrived at between employers and workers in December 1945 and another agreement for Central and Southern Italy in May 1946.

68. The December 1945 agreement, which aimed at granting the worker a living wage, provided broadly for:

(a) uniformity of wages and salaries throughout the North of Italy (traditional differentiations as between trades and districts being maintained);

(b) a yardstick against which wages could be automatically revised and kept in line with the cost of living.

69. To this end the original wage agreement split the northern territories into areas designated "1," "2" and "3," the first covering Milan, Genoa and Turin and the second and third covering the remaining portions in the three areas for each group.

TABLE 10

Minimum wages (excluding allowances) paid per hour in Lire for men workers over 20 in Northern Italy 1946

| Group | Area (5) | Skilled workers (1) | Semi-skilled workers (2) | Unskilled workers (3) | Laborers (4) |
|---|---|---|---|---|---|
| A | 1 | 21.00 | 19.00 | 17.90 | 16.50 |
| | 2 | 19.75 | 17.85 | 16.85 | 15.50 |
| | 3 | 18.70 | 16.90 | 15.95 | 14.70 |
| B | 1 | 20.00 | 17.90 | 17.00 | 15.60 |
| | 2 | 18.80 | 16.85 | 16.00 | 14.65 |
| | 3 | 17.80 | 16.20 | 15.15 | 14.00 |
| C | 1 | 19.00 | 17.00 | 16.50 | 14.80 |
| | 2 | 17.85 | 16.00 | 15.20 | 14.00 |
| | 3 | 16.90 | 15.15 | 14.40 | 14.00 |

Source: Confederazione Generale dell' Industria Italiana.

(1) Specializzati.
(2) Qualificati.
(3) Manovali specializzati.
(4) Manovali comuni.
(5) Northern Area 1 - Milan, Genoa, Turin. Area 2 - Bologna, Savona, La Spezia, etc. Area 3 - Reggio Emilia, Verona, etc.

Workers in the following trades fall within the following groups (see Table 10):

Group A: mechanical, building, wood industries, etc.
" B: rubber manufacturing, tanning chemical industries, etc.
" C: paper, brush and clothing industries, etc.

71. The scale in Table 10, was not firm. Provision was made for variations according to the ages and classes of employees. For instance, male workers between 18 and 20 years of age received wages 10 % lower than those indicated in the Table while male workers from 16 to 18 years of age and female workers of over 18 years are provided for at 30 % lower rates than the scale indicated.

72. The automatic revision of wages was provided for by the granting of "daily emergency allowances," variable each three months in relation to the provincial cost of living indices. These "emergency allowances" were originally set at between 85 and 107 lire per day, dependent upon the type of workers, with additional allowances for heads of families and workers with dependents.

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73. A clause of the agreement stated that "should women be employed for work usually performed by male labor, and should conditions of work and output both for quality and quantity be equal, wages shall also be equal." For piece work an equal scale of pay is applicable to males and females.

74. The labor agreement made on 23 May 1946 for Central and Southern Italy was similar to that agreed for Northern Italy. Minimum hourly rates are:

TABLE 11

Minimum wages (excluding allowances) paid per hour in lire for workers over 20 in Central and Southern Italy - as from May 1946

| Group (1) | Area (2) | Skilled workers | Semi skilled worker | Unskilled workers not qualified as semi-skilled | Laborers |
|---|---|---|---|---|---|
| | | lire | lire | lire | lire |
| A | 1 | 21.00 | 19.00 | 17.00 | 16.50 |
| | 2 | 19.75 | 17.85 | 16.85 | 15.50 |
| | 3 | 18.70 | 16.90 | 15.95 | 14.70 |
| | 4 | 18.05 | 16.25 | 15.40 | 14.20 |
| B | 1 | 20.00 | 18.10 | 17.05 | 15.70 |
| | 2 | 18.80 | 17.00 | 16.05 | 14.75 |
| | 3 | 17.80 | 16.10 | 15.20 | 14.00 |
| | 4 | 17.20 | 15.55 | 14.65 | 14.00 |
| C | 1 | 19.00 | 17.20 | 16.20 | 14.90 |
| | 2 | 17.85 | 16.15 | 15.25 | 14.00 |
| | 3 | 16.90 | 15.30 | 14.40 | 14.00 |
| | 4 | 16.25 | 14.80 | 14.20 | 14.00 |

(1) For categories see para 52.

(2) Area 1 - Naples, Rome.
» 2 - Ancona, Bari, Firenze, Palermo.
» 3 - Brindisi, Cagliari, Caserta, Catania, Chieti, Cosenza, Frosinone, L'Aquila, Perugia, Pescara.
» 4 - Agrigento, Ascoli Piceno, Caltanissetta, Pesaro Potenza, Reggio Calabria, Siracusa.

75. In the wages agreement for Central and Southern Italy it is stated that the wages are made up of three elements:

(a) minimum rate as in Table 11:

(b) an "emergency" allowance, variable with the cost of living. The basis of the daily "indennità di contingenza" (emergency allowance) is from 100 to 135 lire per day. The payment of the allowance is made on the first day of January, April, July and October. The value 100

(c) an "eventuale terzo elemento" which the worker receives for actual attendance at the factory or office. The "eventuale terzo elemento" represents the difference between total payments (allowances for attendance at works, etc.) and the "emergency" allowance.

76. Minimum monthly salaries have also been agreed for employees according to four areas and three categories. The minimum salaries for men over 21 are 11,560 lire per month for clerks, 9,265 lire for the second category (foremen, etc.) and 6,800 lire for skilled workers.

77. On resignation an employee is entitled to a "separation" bonus. Workers who have five years service receive half the bonus; those having from 5 to 10 years three quarters of the full bonus for which workers having more than 10 years service are eligible. Women employees receive the full bonus on leaving employment for reason of marriage. Pregnant and nursing mothers unable to continue in employment also receive the full bonus.

78. The agreement for Central and Southern Italy also regulates the conditions of work for those special or intermediate categories of workers who may be classed as between manual and clerical labor, e.g. supervisers of mines, textile operatives, overseers, timekeepers, chief porters and chief messengers. For these employees four areas and two categories are established, with a minimum wage scale (exclusive of bonuses) ranging from 9,265 lire to 7,310 lire per month for men of 21 and over in the more responsible positions, i.e. in the higher of the two categories.

79. The agreement has evened out the wage differences that existed from one region to another, i.e., it has increased wages in Central and Southern Italy where, for economic and social reasons, wages were always substantially lower than in Northern Italy. This wage increase in Central and Southern Italy may have far reaching effects, since it may on a short term view hinder the development of industries in Southern Italy and worsen their competitive position when compared with industries in Northern Italy. This inferiority is in large part due to less efficient industrial facilities and to the smaller size of industrial factories in Southern Italy. To appreciate the effects of the levelling of wage differences (see Tables 10 and 11) it should be borne in mind that substantial wage differences existed, previously, between minimum wages for the same

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is applicable to males and females.

74. The labor agreement made on 23 May 1946 for Central and Southern Italy was similar to that agreed for Northern Italy. Minimum hourly rates are:

TABLE 11

Minimum wages (excluding allowances) paid per hour in lire for workers over 20 in Central and Southern Italy - as from May 1946

| Group (1) | Area (2) | Skilled workers | Semi skilled worker | Unskilled workers not qualified as semi-skilled | Laborers |
|---|---|---|---|---|---|
| | | lire | lire | lire | lire |
| A | 1 | 21.00 | 19.00 | 17.50 | 16.50 |
| | 2 | 19.55 | 17.85 | 16.85 | 15.50 |
| | 3 | 18.70 | 16.90 | 15.95 | 14.70 |
| | 4 | 18.05 | 16.35 | 15.40 | 14.20 |
| B | 1 | 20.00 | 18.10 | 17.05 | 15.70 |
| | 2 | 18.80 | 17.00 | 16.05 | 14.75 |
| | 3 | 17.80 | 16.10 | 15.20 | 14.00 |
| | 4 | 17.20 | 15.55 | 14.65 | 14.00 |
| C | 1 | 19.00 | 17.20 | 13.20 | 14.90 |
| | 2 | 17.85 | 16.15 | 15.25 | 14.00 |
| | 3 | 16.90 | 15.30 | 14.40 | 14.00 |
| | 4 | 16.35 | 14.80 | 14.20 | 14.00 |

(1) For categories see para 52.

(2) Area 1 - Naples, Rome.
» 2 - Ancona, Bari, Firenze, Palermo.
» 3 - Brindisi, Cagliari, Caserta, Catania, Chieti, Cosenza, Frosinone, L'Aquila, Perugia, Pescara.
» 4 - Agrigento, Ascoli Piceno, Caltanissetta, Pesaro Potenza, Reggio Calabria, Siracusa.

75. In the wages agreement for Central and Southern Italy it is stated that the wages are made up of three elements:

(a) minimum rate as in Table 11:

(b) an "emergency" allowance, variable with the cost of living. The basis of the daily "indennità di contingenza" (emergency allowance) is from 100 to 135 lire per day. The payment of the allowance is made on the first day of January, April, July and October. The value 100 corresponds to the average cost of living for a family on the 1st January. For each variation of 1 % of the cost of living index, the special allowance paid to workers above 20 years of age is increased or diminished by 2 % and for other workers 1.75 %;

76. Minimum monthly salaries have also been agreed for employees according to four areas and three categories. The minimum salaries for men over 21 are 11.560 lire per month for clerks, 9.265 lire for the second category (foremen, etc.) and 6.800 lire for skilled workers.

77. On resignation an employee is entitled to a "separation" bonus. Workers who have five years service receive half the bonus; those having from 5 to 10 years three quarters of the full bonus for which workers having more than 10 years service are eligible. Women employees receive the full bonus on leaving employment for reason of marriage. Pregnant and nursing mothers unable to continue in employment also receive the full bonus.

78. The agreement for Central and Southern Italy also regulates the conditions of work for those special or intermediate categories of workers who may be classed as between manual and clerical labor, e.g. supervisers of mines, textile operatives, overseers, timekeepers, chief porters and chief messengers. For these employees four areas and two categories are established, with a minimum wage scale (exclusive of bonuses) ranging from 9,265 lire to 7.310 lire per month for men of 21 and over in the more responsible positions, i.e. in the higher of the two categories.

79. The agreement has evened out the wage differences that existed from one region to another, i.e., it has increased wages in Central and Southern Italy where, for economic and social reasons, wages were always substantially lower than in Northern Italy. This wage increase in Central and Southern Italy may have far reaching effects, since it may on a short term view hinder the development of industries in Southern Italy and worsen their competitive position when compared with industries in Northern Italy. This inferiority is in large part due to less efficient industrial facilities and to the smaller size of industrial factories in Southern Italy. To appreciate the effects of the levelling of wage differences (see Tables 10 and 11) it should be borne in mind that substantial wage differences existed, previously, between minimum wages for the same classes of industries in cities North of Rome (Turin and Milan) and in other cities South of Rome (Naples, Taranto, etc.) Table 12 shows that in March 1946, prior to the levelling agreement, wage differences between Milan and Provinces of Southern Italy were, in many cases, as high as 40 %.

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TABLE 12

## Minimum Daily Contract Pay in lire for workers in Italy: March 1946

Index numbers (Salaries in Milan = 100)

| Type of Industry | Turin | Milan | Rome | Naples | Taranto | Reggio Calabria | Enna | Sassari |
|---|---|---|---|---|---|---|---|---|
| **1. SPECIALIZED WORKERS** | | | | | | | | |
| Wood | 105.4 | 100.0 | 110.4 | 62.4 | 63.7 | 56.2 | — | 52.6 |
| Pasta | 98.7 | 100.0 | 99.2 | 79.1 | 56.0 | — | 63.6 | — |
| Mechanical | 98.8 | 100.0 | 98.0 | 91.0 | 68.8 | — | — | 53.7 |
| Building | 105.1 | 100.0 | 121.6 | 94.7 | 92.9 | 100.0 | — | 83.5 |
| Chemical | 98.8 | 100.0 | 93.8 | 78.6 | 59.7 | 77.1 | 72.4 | 49.5 |
| Printing | 100.0 | 100.0 | 93.6 | — | 54.8 | 79.5 | 53.7 | 61.0 |
| Leather and shoes | 99.3 | 100.0 | — | 62.5 | 59.8 | — | — | 50.3 |
| Transport | 78.2 | 100.0 | 72.2 | — | 50.4 | 42.7 | 60.8 | — |
| **2. SKILLED WORKERS** | | | | | | | | |
| Wood | 103.7 | 100.0 | 105.6 | 61.2 | 62.8 | 55.9 | — | 50.8 |
| Pasta | 98.7 | 100.0 | — | 79.8 | 57.3 | — | 62.6 | — |
| Mechanical | 98.7 | 100.0 | 95.9 | 88.3 | 67.0 | — | — | 48.7 |
| Building | 100.8 | 100.0 | 119.2 | 86.8 | 92.2 | 84.2 | 55.7 | 81.9 |
| Chemical | 99.0 | 100.0 | 91.5 | 79.5 | 60.4 | — | 69.2 | 49.0 |
| Printing | 99.1 | 100.0 | 91.6 | — | 53.4 | 72.6 | 52.4 | 60.8 |
| Leather and shoes | 99.5 | 100.0 | — | 64.6 | 58.1 | — | — | 49.5 |
| Transport | 82.8 | 100.0 | — | — | 51.5 | 45.7 | 65.7 | — |
| **3. UNSKILLED WORKERS** | | | | | | | | |
| Wood | 102.4 | 100.0 | 100.8 | 61.7 | 61.1 | 57.1 | — | 49.7 |
| Pasta | 98.7 | 100.0 | 100.8 | 81.3 | 56.3 | — | — | — |
| Mechanical | 98.7 | 100.0 | 92.5 | 85.2 | 67.5 | — | — | 47.8 |
| Building | 102.2 | 100.0 | 117.5 | — | 85.8 | — | 68.0 | 52.0 |
| Chemical | 98.7 | 100.0 | 91.0 | 79.1 | — | — | 68.3 | 48.1 |
| Printing | 95.7 | 100.0 | 86.3 | — | 51.7 | 68.3 | 71.6 | 58.9 |
| Leather and shoes | 99.2 | 100.0 | — | 62.5 | 56.1 | — | — | 49.5 |
| Transport | 84.1 | 100.0 | 81.8 | — | 51.6 | 45.7 | — | — |

Source: Central Statistical Institute, Rome.

(b) *Salary Agreements for Industrial Executives.*

80. After negotiation between the "Confederazione Generale dell'Industria Italiana" (General Confederation of Italian Industry) and the "Associazione Nazionale dei

(a) in the case of discharge by the employer the executive (e.g. managers and sub-managers) will be paid an indemnity fixed as follows:

(1) for each year of employment up to 10

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| Type of Industry | Turin | Milan | Rome | Naples | Taranto | Calabria | Latina | Sassari |
|---|---|---|---|---|---|---|---|---|
| **1. SPECIALIZED WORKERS** | | | | | | | | |
| Wood | 105.4 | 100.0 | 110.4 | 62.4 | 63.7 | 56.2 | — | 52.6 |
| Pasta | 98.7 | 100.0 | 99.2 | 79.1 | 56.0 | — | 63.6 | — |
| Mechanical | 98.8 | 100.0 | 98.0 | 91.0 | 68.8 | — | — | 53.7 |
| Building | 105.1 | 100.0 | 121.6 | 94.7 | 92.9 | 100 0 | — | 83.5 |
| Chemical | 98.8 | 100.0 | 93.8 | 78.6 | 59.7 | 77.1 | 72.4 | 49.5 |
| Printing | 100.0 | 100.0 | 93.6 | — | 54.8 | 79.5 | 53.7 | 61.0 |
| Leather and shoes | 99.3 | 100.0 | — | 62.5 | 59.8 | — | — | 50.3 |
| Transport | 78.2 | 100.0 | 72.2 | — | 50.4 | 42.7 | 60.8 | — |
| **2. SKILLED WORKERS** | | | | | | | | |
| Wood | 103.7 | 100.0 | 105.6 | 61.2 | 62.8 | 55.9 | — | 50.8 |
| Pasta | 98.7 | 100.0 | — | 79.8 | 57.3 | — | 62.6 | — |
| Mechanical | 98.7 | 100.0 | 95.9 | 88.3 | 67.0 | — | — | 48.7 |
| Building | 100.8 | 100.0 | 119.2 | 86.8 | 92.2 | 84.2 | 55.7 | 81.9 |
| Chemical | 99.0 | 100.0 | 91.5 | 79.5 | 60.4 | — | 69.2 | 49.0 |
| Printing | 99.1 | 100.0 | 91.6 | — | 53.4 | 72.6 | 52.4 | 60.8 |
| Leather and shoes | 99.5 | 100.0 | — | 64.6 | 58.1 | — | — | 49.5 |
| Transport | 82.8 | 100.0 | — | — | 51.5 | 45.7 | 65.7 | — |
| **3. UNSKILLED WORKERS** | | | | | | | | |
| Wood | 102.4 | 100.0 | 100.8 | 61.7 | 61.1 | 57.1 | — | 49.1 |
| Pasta | 98.7 | 100.0 | 100.8 | 81.3 | 56.3 | — | — | — |
| Mechanical | 98.7 | 100.0 | 92.5 | 85 2 | 67.5 | — | — | 47.8 |
| Building | 102.2 | 100.0 | 117.5 | — | 85.8 | — | 68.0 | 52.0 |
| Chemical | 98.7 | 100.0 | 91.0 | 79.1 | — | — | 68.3 | 48.1 |
| Printing | 95.7 | 100.0 | 86.3 | — | 51.7 | 68.3 | 71.6 | 58.9 |
| Leather and shoes | 99.2 | 100.0 | — | 62.5 | 56.1 | — | — | 49.5 |
| Transport | 84.1 | 100.0 | 81.8 | — | 51.6 | 45.7 | — | — |

Source: Central Statistical Institute, Rome.

(b) *Salary Agreements for Industrial Executives.*

80. After negotiation between the "Confederazione Generale dell'Industria Italiana" (General Confederation of Italian Industry) and the "Associazione Nazionale dei Dirigenti di Aziende Industriali" (National Association of Executives of Industrial Firms) an agreement was reached on 26 May 1946 by which some provisions of the national collective labor contract of 28 October 1937 were modified. The main provisions of this 1937 collective contract were:

(a) in the case of discharge by the employer the executive (e.g. managers and sub-managers) will be paid an indemnity fixed as follows:

(i) for each year of employment, up to 10 years service, a sum equal to the last month's pay;

(ii) 1 ½ month's pay for each year after the tenth year.

I 53.8

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In the pay are included all sums due regularly, such as commission premiums for output and other sums not of a fixed amount, except sums paid for reimbursement of expenses. Exceptional bonuses are also not included. The shares in the profits and the bonuses must, over a year, not exceed a year's pay as calculated above. The pay includes also the money equivalent of room and board which may have been provided to the executive;

(b) in case of resignation the resigning executive—of whatever age or seniority—is entitled to a retirement bonus equal to the amount he would have received if discharged (previously the executive was entitled to a leaving bonus only if over 60 years of age and with at least 30 years of service);

(c) the employer's contribution to the "Cassa di previdenza" (Provident Fund) for executives was raised from 7 per cent to 11 per cent of the salary. The contribution paid by the executive remained unchanged at 4 %. The maximum yearly salary on which these percentages are calculated is 550,000 lire.
Provident funds have become increasingly important as a security fund for office workers. The Provident Funds are quite separate from the "discharge" fund.

*Agriculture* (Métayers).

81. In 1946 the position of the métayers has given rise to difficulty. The métayers number about 1.8 million out of the 8.7 million workers engaged in agriculture and therefore represent over 20 % of the agricultural workers. Métayers are mainly concentrated in Emilia, Tuscany, Umbria and Veneto. Métayage is a very ancient institution. In its classical form it can be summed up in the formula: half the produce as rent to the landowner, who provides seed and livestock, and half to the métayer or husbandman. The trade union of métayers pressed for a larger share of the total produce. Since no satisfactory solution of the dispute could be reached, the General Confederation of Labor empowered the President of the Council of Ministers, Mr. De Gasperi, to arbitrate on the question. Mr. De Gasperi was not, however, empowered to arbitrate on

duction remain in force, the landlords should pay the métayers as compensation for war damage suffered by the métayers, and for the additional expense of farming in wartime, a sum equal to the value of 24 % of the landlord's share of the gross production in an agricultural year. To restore greater productivity of the farm, 10 % of the landlord's share for 1946 must be set aside for farm improvement to be carried out in 1946 by casual agricultural labor. If the work is done by the métayers themselves, they are entitled to payment according to the wage scale for casual labor.

83. Cattle taken by the Germans or lost on account of the war would, under the award, be considered as sold at the price prevailing at the time of the loss and should be credited to farmer against his share. The landlord must replace the cattle by 1 October 1946.

84. Although the award has not yet been accepted by the Italian Confederation of Farmers it represents an advance in the solution of an important difference. A new principle has been inserted in agricultural labor contracts in the introduction of an obligation for farm rehabilitation, the funds being drawn from farm revenues.

*Disputes.*

85. Labor disputes are generally settled through trade unions and through the Ministry of Labor and Social Security Labor Offices. In more serious cases the Government intervenes to settle disputes, as for instance in the métayage award (see para. 81), the "premium of the Republic" (see para. 23), the dismissal of workers (see para. 38).

86. Table 13 shows for the first six months of 1946 the number of individual and collective disputes brought to the Provincial Labor Offices of the Veneto, Venezia Tridentina, Piedmont, Emilia, Marche and Abruzzi regions. These are the only post-war data at present available.

87. Table 13 refers mainly to differences in which the Labor Unions were not concerned. The present situation is that not all employees and not all employers are members of Labor Unions or Employers Confederations, respectively. Also those Unions and organizations now existing have as yet no legal recognition. Therefore it is possible for any one employer or laborer not to comply with the decision of the Labor or Employers

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The pay includes also the money equivalent of room and board which may have been provided to the executive;

(b) in case of resignation the resigning executive—of whatever age or seniority—is entitled to a retirement bonus equal to the amount he would have received if discharged (previously the executive was entitled to a leaving bonus only if over 60 years of age and with at least 30 years of service);

(c) the employer's contribution to the "Cassa di previdenza" (Provident Fund) for executives was raised from 7 per cent to 11 per cent of the salary. The contribution paid by the executive remained unchanged at 4 %. The maximum yearly salary on which these percentages are calculated is 550,000 lire.
Provident funds have become increasingly important as a security fund for office workers. The Provident Funds are quite separate from the "discharge" fund.

*Agriculture* (Métayers).

81. In 1946 the position of the métayers has given rise to difficulty. The métayers number about 1.8 million out of the 8.7 million workers engaged in agriculture and therefore represent over 20 % of the agricultural workers. Métayers are mainly concentrated in Emilia, Tuscany, Umbria and Veneto. Métayage is a very ancient institution. In its classical form it can be summed up in the formula: half the produce as rent to the landowner, who provides seed and livestock, and half to the métayer or husbandman. The trade union of métayers pressed for a larger share of the total produce. Since no satisfactory solution of the dispute could be reached, the General Confederation of Labor empowered the President of the Council of Ministers, Mr. De Gasperi, to arbitrate on the question. Mr. De Gasperi was not, however, empowered to arbitrate on behalf of the landowners, i.e. the Confederazione Italiana degli Agricoltori (CONFIDA - Italian Confederation of Farmers).

82. The award of the President of the Council of Ministers was made at the end of June 1946. While the present métayage contract and the division of produce set aside for farm improvement to be carried out in 1946 by casual agricultural labor. If the work is done by the métayers themselves, they are entitled to payment according to the wage scale for casual labor.

83. Cattle taken by the Germans or lost on account of the war would, under the award, be considered as sold at the price prevailing at the time of the loss and should be credited to farmer against his share. The landlord must replace the cattle by 1 October 1946.

84. Although the award has not yet been accepted by the Italian Confederation of Farmers it represents an advance in the solution of an important difference. A new principle has been inserted in agricultural labor contracts in the introduction of an obligation for farm rehabilitation, the funds being drawn from farm revenues.

*Disputes.*

85. Labor disputes are generally settled through trade unions and through the Ministry of Labor and Social Security Labor Offices. In more serious cases the Government intervenes to settle disputes, as for instance in the métayage award (see para. 81), the "premium of the Republic" (see para. 23), the dismissal of workers (see para. 38).

86. Table 13 shows for the first six months of 1946 the number of individual and collective disputes brought to the Provincial Labor Offices of the Veneto, Venezia Tridentina, Piedmont, Emilia, Marche and Abruzzi regions. These are the only post-war data at present available.

87. Table 13 refers mainly to differences in which the Labor Unions were not concerned. The present situation is that not all employees and not all employers are members of Labor Unions or Employers Confederations, respectively. Also those Unions and organizations now existing have as yet no legal recognition. Therefore it is possible for any one employer or laborer not to comply with the decision of the Labor or Employers Organizations. This makes the settlement of differences the more difficult.

88. The differences shown in Table 13 have arisen out of existing labor agreements. In spite of the difficult times through which Italy is now passing, conflicts in

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TABLE 13

Number of differences i.e maladjustments in employment relations between workers and employers arising out of existing labor agreements in the Italian provinces of Veneto, Venezia Tridentina, Piedmont, Emilia, Marche and Abruzzi: January to June 1946

| 1946 | No. of disputes not settled or considered at beginning of the month | No. of fresh disputes in the month | Disputes relating to existing agreements | | | |
|---|---|---|---|---|---|---|
| | | | Settled mutually during the month | Unsettled | Withdrawn | Number settled by arbitration |
| June | 848 | 799 | 527 | 193 | 74 | — |
| May | 913 | 1.122 | 569 | 150 | 119 | — |
| January | 1.197 | 872 | 681 | 172 | 110 | — |
| April | 1.,156 | 639 | 513 | 162 | 119 | — |
| February | 999 | 839 | 509 | 151 | 119 | 1 |
| March | 1.057 | 769 | 427 | 171 | 101 | 3 |
| Total for first half year 1946 | 6.180 | 5.018 | 3.167 | 939 | 642 | 4 |

Source: Provincial Labor Offices of the Ministry of Labor (Uffici Provinciali del Lavoro).

industrial relations and strikes have not been prolonged. The absence of important strikes in the first half of 1946 may partly be explained by the postponement of block dismissal of employees (see para. 40). From July to September 1946 there were some serious strikes and unrest among industrial and transportation workers and civil servants. This was due largely to the increased cost of living. The Government undertook to study the labor situation and to endeavor to meet reasonable demands of the workers.

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# PART TWO - SOCIAL INSURANCE AND SECURITY (1)

89. Fascist legislation (1919-1942) brought all types of social insurance under the management of public institutions. The contributions and the insurance benefits in the Italian social insurance system in 1938 and 1942 (latest data available), are shown in Table 14 and in the graphs in Tables 15 and 16.

TABLE 14

## Social insurance in Italy: Contributions and benefits: 1938 and 1942

| TYPE OF INSURANCE | 1938 | | | | 1942 | | | |
|---|---|---|---|---|---|---|---|---|
| | Contributions | | Benefits | | Contributions | | Benefits | |
| | (Millions of Lire) | | | | | | | |
| | | % | | % | | % | | % |
| *a*) Invalidity, old age and surviving dependents (INPS) (1) | 672 | 22.9 | 477 | 21.4 | 2,383 | 17.8 | 755 | 7.1 |
| *b*) Unemployment (INPS) (5) | 176 | 6.0 | 161 | 7.2 | 324 | 2.4 | 191 | 1.8 |
| *c*) Tuberculosis (INPS) | 225 | 7.7 | 240 | 10.8 | 383 | 2.9 | 367 | 3.5 |
| *d*) Marriage, birth (4) (INPS) | 15 | 0.5 | 30 | 1.4 | 352 | 2.6 | 186 | 1.8 |
| *e*) Sickness (INAML) (2) | 367 | 12.5 | 306 | 13.7 | 1,321 | 9.9 | 1,037 | 9.8 |
| *f*) Accidents (INAIL) (3) | 587 | 20.0 | 240 | 10.8 | 943 | 7.0 | 432 | 4.1 |
| *g*) Family allowances (INPS) | 883 | 30.0 | 771 | 34.6 | 6,347 | 47.3 | 6,222 | 58.9 |
| *h*) Fund for workers working part-time (INPS) | — | — | — | — | 993 | 7.4 | 300 | 2.8 |
| *i*) Military re-inductees (INPS) | 12 | 0.4 | 3 | 0.1 | 365 | 2.7 | 1,082 | 10.2 |
| TOTAL | 2,937 | 100.0 | 2,228 | 100.0 | 13,411 | 100.0 | 10,572 | 100.0 |

(1) Istituto Nazionale Previdenza Sociale (INPS - National Institute for Social Security).
(2) Istituto Nazionale Assistenza Malattie Lavoratori (INAML - National Institute for Assisting Sick Workers).
(3) Istituto Nazionale Assicurazioni Infortuni Lavoro (INAIL - National Insurance Institute for Accidents while at work).
(4) The data for 1938 refer to maternity insurance.
(5) Social insurance in the strict sense.

Source: (I) Commissione di Studio della Democrazia Cristiana. I problemi della Ricostruzione. Contributo alla riforma della previdenza sociale. Società Editrice Libreria Italiana. (Christian Democracy Research Commission. The problems of reconstruction. Contribution to social security reform). (II) The Institutes listed in Table 14.

90. In 1942 aggregate contributions were almost one third of Government revenue (see Graph - Table 19).

91. The percentages in Table 14 and in the graph (Table 15) show that the payment for family allowances, started in 1937, accounted in 1942 (together with insurances of a similar nature, such as the provision

92. While the general price index increased about 60 % from 1938 to 1942, family allowances increased eight times in the same period; unemployment benefits increased only 19 % and disability and old age benefits 58 %. More recent data are lacking; such information as is available confirms that the expansion of family

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social insurance under the management of public institutions. The contributions and the insurance benefits

the graphs in Tables 15 and 16.

TABLE 14

## Social insurance in Italy: Contributions and benefits: 1938 and 1942

| TYPE OF INSURANCE | 1938 | | | | 1942 | | | |
|---|---|---|---|---|---|---|---|---|
| | Contributions | | Benefits | | Contributions | | Benefits | |
| | (Millions of Lire) | | | | | | | |
| *a*) Invalidity, old age and surviving dependents (INPS) (1) | 672 | 22.9 | 477 | 21.4 | 2,383 | 17.8 | 755 | 7.1 |
| *b*) Unemployment (INPS) (5) | 176 | 6.0 | 161 | 7.2 | 324 | 2.4 | 191 | 1.8 |
| *c*) Tuberculosis (INPS) | 225 | 7.7 | 240 | 10.8 | 383 | 2.9 | 367 | 3.5 |
| *d*) Marriage, birth (4) (INPS) | 15 | 0.5 | 30 | 1.4 | 352 | 2.6 | 186 | 1.8 |
| *e*) Sickness (INAML) (2) | 367 | 12.5 | 306 | 13.7 | 1,321 | 9.9 | 1,037 | 9.8 |
| *f*) Accidents (INAIL) (3) | 587 | 20.0 | 240 | 10.8 | 943 | 7.0 | 432 | 4.1 |
| *g*) Family allowances (INPS) | 883 | 30.0 | 771 | 34.6 | 6,347 | 47.3 | 6,322 | 58.9 |
| *h*) Fund for workers working part-time (INPS) | — | — | — | — | 993 | 7.4 | 300 | 2.8 |
| *i*) Military re-inductees (INPS) | 12 | 0.4 | 3 | 0.1 | 365 | 2.7 | 1,082 | 10.2 |
| TOTAL | 2,937 | 100.0 | 2,228 | 100.0 | 13,411 | 100.0 | 10,572 | 100.0 |

(1) Istituto Nazionale Previdenza Sociale (INPS - National Institute for Social Security).
(2) Istituto Nazionale Assistenza Malattie Lavoratori (INAML - National Institute for Assisting Sick Workers).
(3) Istituto Nazionale Assicurazioni Infortuni Lavoro (INAIL - National Insurance Institute for Accidents while at work).
(4) The data for 1938 refer to maternity insurance.
(5) Social insurance in the strict sense.

Source: (I) Commissione di Studio della Democrazia Cristiana. I problemi della Ricostruzione, Contributo alla riforma della previdenza sociale. Società Editrice Libreria Italiana. (Christian Democracy Research Commission. The problems of reconstruction. Contribution to social security reform). (II) The Institutes listed in Table 14.

90. In 1942 aggregate contributions were almost one third of Government revenue (see Graph - Table 19).

91. The percentages in Table 14 and in the graph (Table 15) show that the payment for family allowances, started in 1937, accounted in 1942 (together with insurances of a similar nature, such as the provision of grants at marriage and births) for 61 % of all benefits (as against 36 % in 1938). The increase in this type of insurance, in relation to all other forms of social insurance, has reduced other benefits proportionately.

92. While the general price index increased about 60 % from 1938 to 1942, family allowances increased eight times in the same period; unemployment benefits increased only 19 % and disability and old age benefits 58 %. More recent data are lacking; such information as is available confirms that the expansion of family allowances has been at the expense of social insurances, such as insurance against sickness, tuberculosis, accident, disability, old age and unemployment.

(1) The attention of readers is drawn to the comparative summary table at the end of this part: Table 20.

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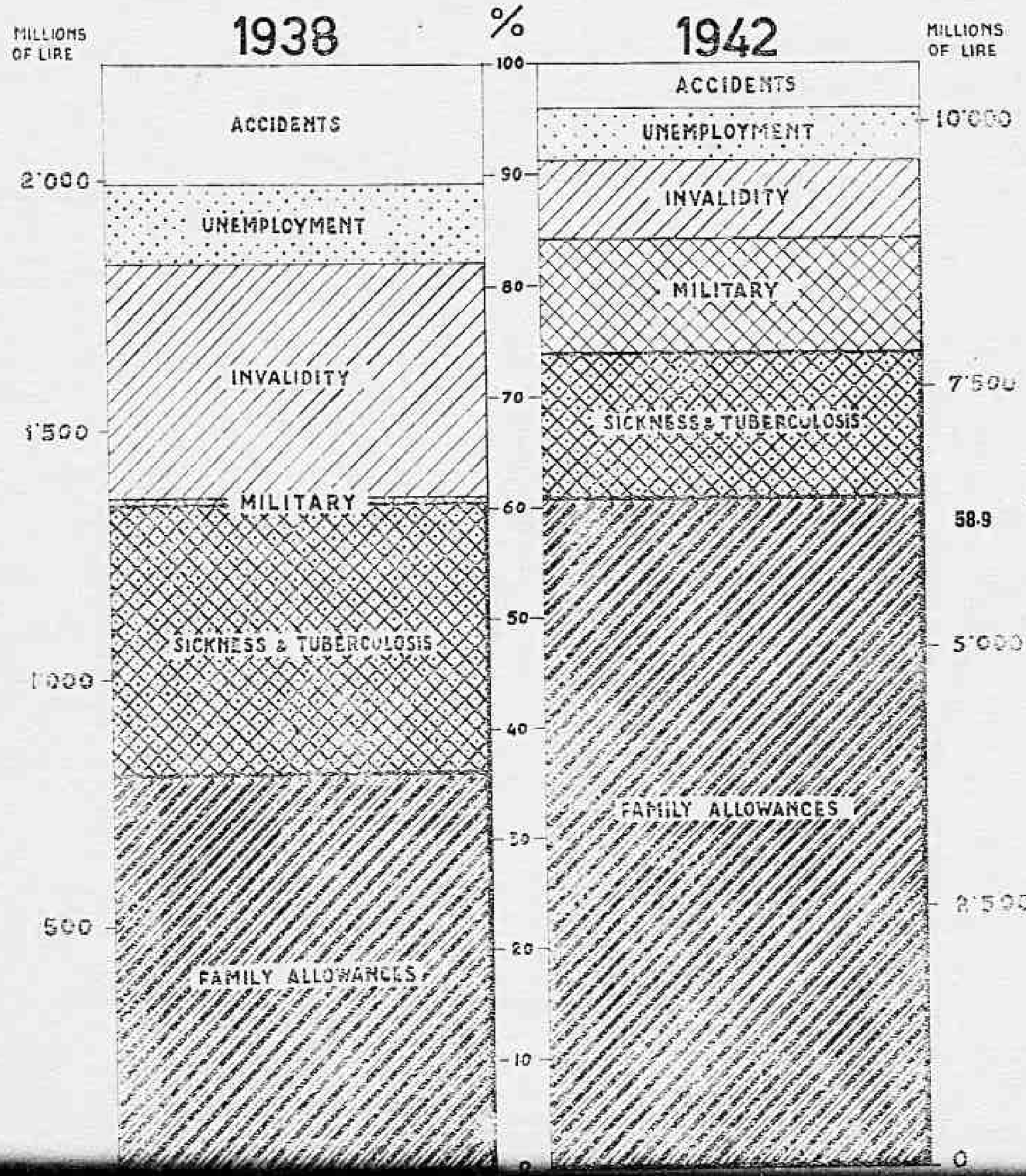
TABLE 15

# BENEFITS FROM SOCIAL INSURANCE

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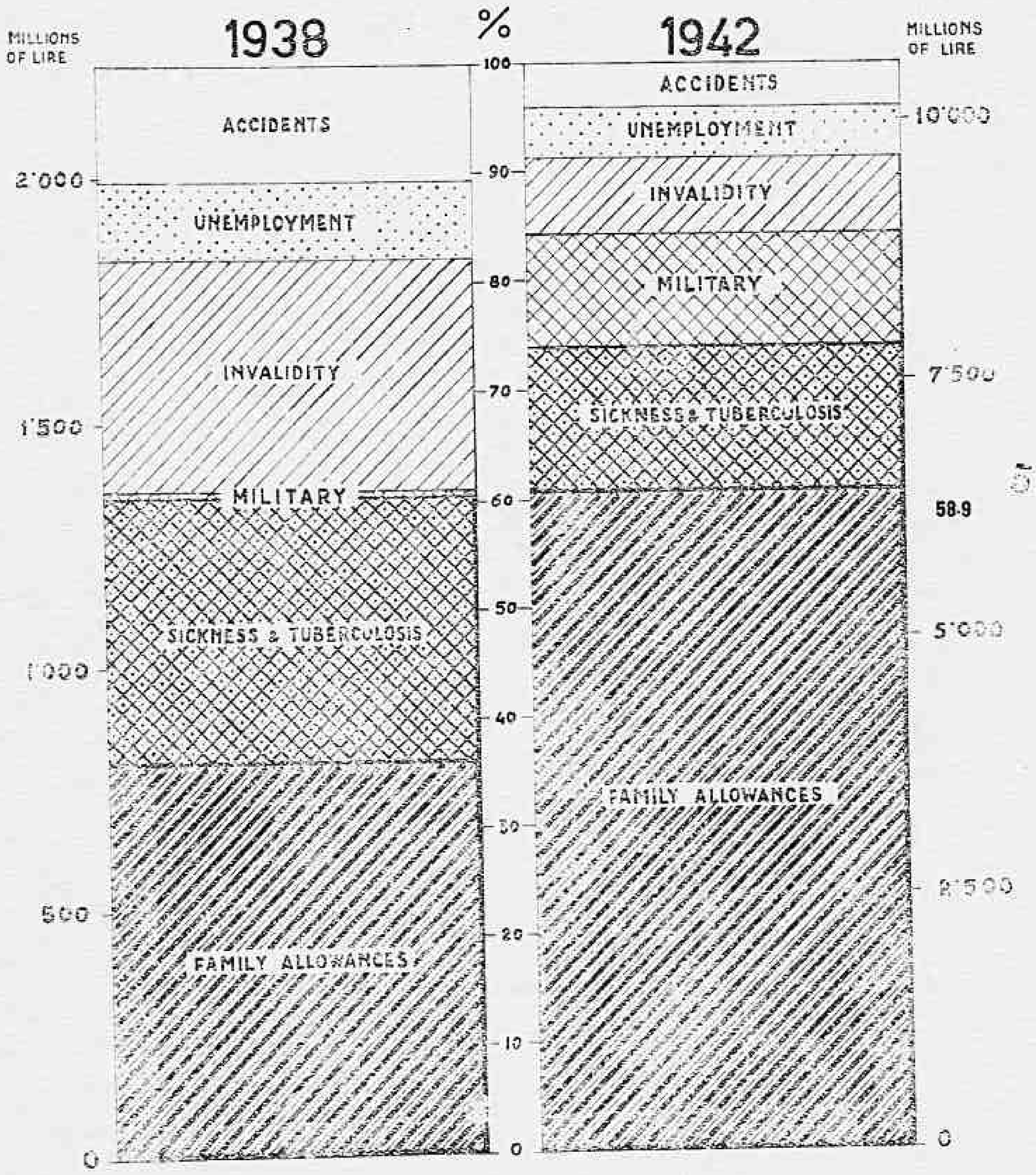
8315

# BENEFITS FROM SOCIAL INSURANCE




5315

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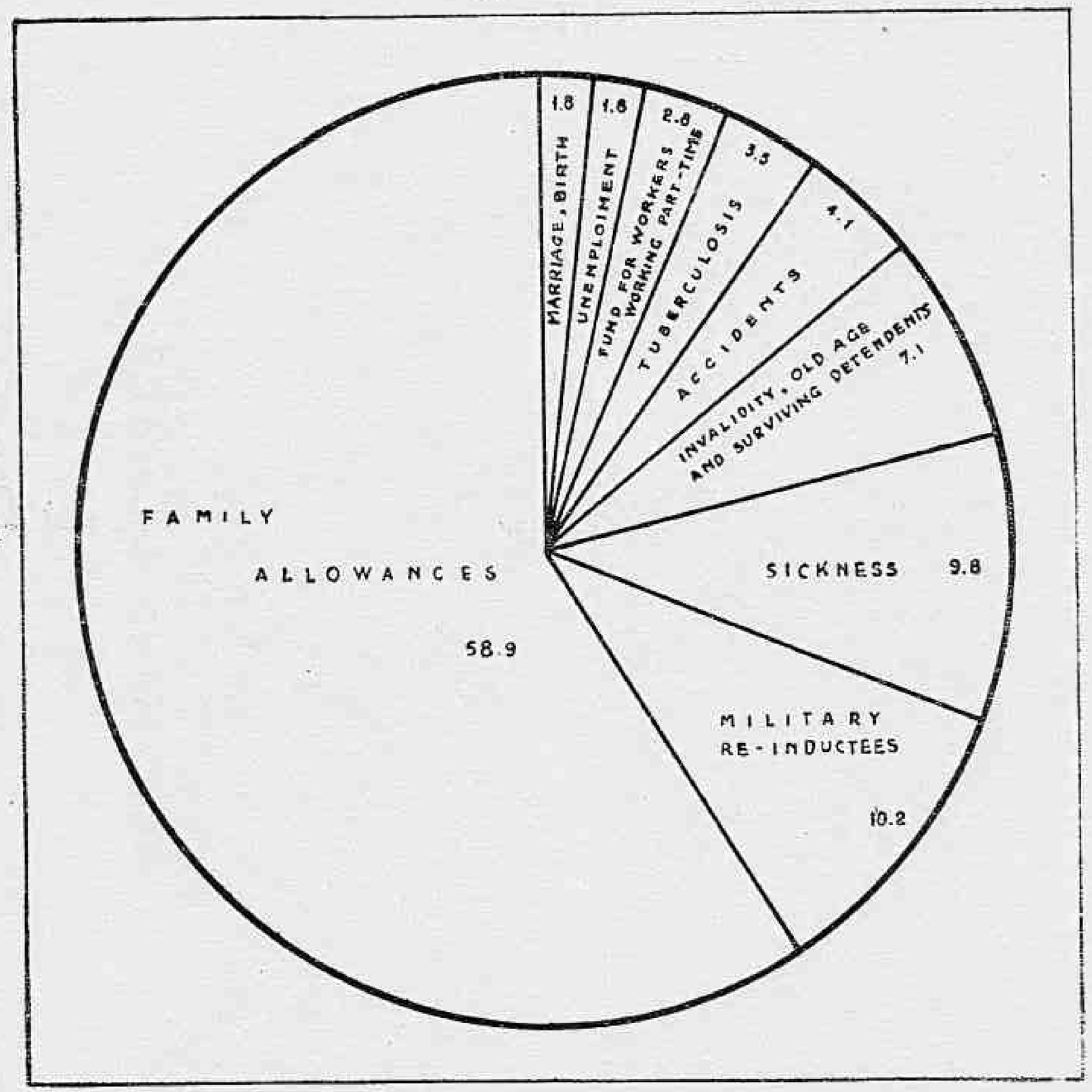
TABLE 16

# PERCENT DISTRIBUTION OF BENEFITS FROM THE SOCIAL INSURANCE AND SECURITY SYSTEM IN 1942

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93. The following figures show how largely the insurance contributions paid by employers and workers bulk in relation to average individual industrial workers' earnings:

| Paid by Employer and Worker from (1) | 1942 | | 1945 (Second half) | |
|---|---|---|---|---|
| | Contrib. | % of av. wage | Contrib. | % of av. wage |
| | Lire | | Lire | |
| Weekly wages of a manual worker . . . | 118.45 | 44.87 | 483.10 | 32.21 |
| Monthly salary of a clerical worker . . | 608.00 | 40.53 | 1,733.00 | 22.30 |

Source: Confederazione Generale Industria Italiana (C. G. I. I. - General Confederation of Italian Industry).

(1) The charge for 1942 was calculated as follows:

*a*) for manual workers, on an average weekly net wage of 264 lire;

*b*) for clerical workers, on an average monthly net salary of 1.500 lire.

The charge for 1945 (second six months) was calculated as follows:

*a*) for manual workers, on an average weekly net wage of 1,500 lire;

*b*) for clerical workers, on an average monthly net salary of 7,750 lire.

94. In 1945 the total contributions for an agricultural worker, including an additional 6 % unified contribution, were between 7.50 and 15.90 lire per day.

95. After the collapse of fascism, social insurance institutions were placed under the control of Commissioners, shortly to be replaced by democratically elected managing bodies. An Italian Government Commission was appointed in May 1945 to coordinate and unify the whole system of social security, but up to August 1946 no steps had been taken in this direction.

## *SOCIAL INSURANCES IN THE STRICT SENSE*

96. Social insurances in the strict sense (see para. 89) are applicable to agriculture, industry, commerce, insurance and banking. Unemployment insurance, however, is not available to agricultural workers. Agricultural contributions for social insurances, in the strict sense, and for insurance against sickness, were unified in 1940.

97. To 9 April 1946, two thirds of the contributions compulsory insurance against unforeseen unemployment, tuberculosis, marriage and births, and sickness, were paid entirely by the employer.

### DISABILITY (OR INVALIDITY), OLD AGE AND SURVIVING DEPENDENTS

99. Compulsory insurance against disability (including disability caused by chronic diseases), for old age and surviving dependents can be considered as the basis of the insurance system. Workers call these insurances the "pension" insurance (1).

100. This insurance was established as a compulsory insurance for all trades by the decree of April 1919. Actual payment of benefits for disability began in July 1920 and for "pension" insurance in 1922.

101. Benefits are increased to meet the increased cost of living. For this reason contributions were also increased (from June 1, 1945). The sums raised from these increased contributions were set aside in a special fund called "Integration Fund for social insurance" established in March 1945. The increased contributions, described as "integrative" contributions, are equal to 7.50 % of the wages (for invalidity, old age and surviving dependents), 4 % (for unemployment), 3 % (for tuberculosis). The contributions are calculated on the wages as well as on all additional elements in the wages, but up to a certain aggregate amount only, i.e., on 3,600 lire per month (for clerical workers as well as for manual workers), or on 900 lire per week, or on 114 lire per day. The maximum wages (on which contributions are calculated) was increased in June 1946 from 3,600 to 6,250 lire per month (or 1,562 lire per week).

102. To qualify for disability pension, the working power of the employees must have been reduced by disability to at least one half for office workers and one third for manual workers. The right to a disability pension cannot be acquired until (a) five years

(1) The National Institute of Social Security provides invalidity, old age and surviving dependents, insurance for sailors and other maritime workers under a separate scheme. This compulsory insurance dates back to 1901 and was the first form of social security in Italy. There were five separate Funds, which in 1941, were merged under one organization. This organization was a branch of the Fund for Social Insurance, which, later on, was transformed into the National Institute for Social Security. The organization pays pensions to maritime workers, to administrative

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| Paid by Employer and Worker from (1) | 1945 | | (Second half) | |
|---|---|---|---|---|
| | Contrib. | % of av. wage | Contrib. | % of av. wage |
| | Lire | | Lire | |
| Weekly wages of a manual worker . . . | 118.45 | 44.87 | 488.10 | 32.21 |
| Monthly salary of a clerical worker . . | 608.00 | 40.53 | 1.733.00 | 22.36 |

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The charge for 1945 (second six months) was calculated as follows:

*a*) for manual workers, on an average weekly net wage of 1,500 lire;

*b*) for clerical workers, on an average monthly net salary of 7,750 lire.

94. In 1945 the total contributions for an agricultural worker, including an additional 6 % unified contribution, were between 7.50 and 15.90 lire per day.

95. After the collapse of fascism, social insurance institutions were placed under the control of Commissioners, shortly to be replaced by democratically elected managing bodies. An Italian Government Commission was appointed in May 1945 to coordinate and unify the whole system of social security, but up to August 1946 no steps had been taken in this direction.

### *SOCIAL INSURANCES IN THE STRICT SENSE*

96. Social insurances in the strict sense (see para. 89) are applicable to agriculture, industry, commerce, insurance and banking. Unemployment insurance, however, is not available to agricultural workers. Agricultural contributions for social insurances, in the strict sense, and for insurance against sickness, were unified in 1940.

97. To 9 April 1946, two thirds of the contributions for invalidity and old age insurance were paid by the employer and one third by the worker.

98. The insurance contributions for unemployment, tuberculosis, marriage and birth, were paid 50 % by the employer and 50 % by the worker. As from 10 April 1946 (Law-decree of 2 April 1946) contributions for invalidity and old age insurance, as well as for

### AND SURVIVING DEPENDENTS

99. Compulsory insurance against disability (including disability caused by chronic diseases), for old age and surviving dependents can be considered as the basis of the insurance system. Workers call these insurances the "pension" insurance (1).

100. This insurance was established as a compulsory insurance for all trades by the decree of April 1919. Actual payment of benefits for disability began in July 1920 and for "pension" insurance in 1922.

101. Benefits are increased to meet the increased cost of living. For this reason contributions were also increased (from June 1, 1945). The sums raised from these increased contributions were set aside in a special fund called "Integration Fund for social insurance" established in March 1945. The increased contributions, described as "integrative" contributions, are equal to 7.50 % of the wages (for invalidity, old age and surviving dependents), 4 % (for unemployment), 3 % (for tuberculosis). The contributions are calculated on the wages as well as on all additional elements in the wages, but up to a certain aggregate amount only, i.e., on 3,600 lire per month (for clerical workers as well as for manual workers), or on 900 lire per week, or on 114 lire per day. The maximum wages (on which contributions are calculated) was increased in June 1946 from 3,600 to 6,250 lire per month (or 1,562 lire per week).

102. To qualify for disability pension, the working power of the employees must have been reduced by disability to at least one half for office workers and one third for manual workers. The right to a disability pension cannot be acquired until (a) five years

(1) The National Institute of Social Security provides invalidity, old age and surviving dependents, insurance for sailors and other maritime workers under a separate scheme. This compulsory insurance dates back to 1861 and was the first form of social security in Italy. There were five separate Funds, which in 1944, were merged under one organization. This organization was a branch of the Fund for Social Insurance, which, later on, was transformed into the National Institute for Social Security. The organization pays pensions to maritime workers, to administrative workers of shipping companies, and to their families. As from 10 April 1946, contributions are entirely charged to the shipowners. The contributions amount to 15 % of the wages of the maritime workers and to 14 % of the salaries of the administrative workers.

Total benefits to be paid in 1946 (mainly for old age and surviving dependents) are estimated to amount to 51.8 million lire. The possibility of increasing the total amount of benefits from 51.8 million lire to 161.8 million lire is under consideration as part of the general plan for bringing insurance benefits more in line with the cost of living.

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after the payment of the first contribution and (b) the contributions paid have amounted to 975 lire for an office worker and 375 lire for a manual worker (agricultural workers excluded). Minimum contributions for agricultural casual or permanent workers are from 112.50 to 450 lire.

103. The right to an old age pension cannot be acquired until 15 years after the payment of the first contribution. This limit was reduced to 10 years for those persons who paid their first contribution before 1 May 1939, and were over 45 years of age (men) and 40 years (women). For women the minimum contribution required for the old age pension has been reduced by one third. Minimum contributions are 2,925 lire for office workers, 1,125 lire for manual workers (excluding agricultural workers), and 337.50 to 1,350 for agricultural workers.

*Contributions.*

(i) *Industry and Other Trades.*

104. Contributions vary according to salary categories (10 categories for manual workers and 9 categories for office workers). Present contributions for the highest category are the following (as in June 1946):

| | | |
|---|---|---|
| (a) | manual workers | 114.30 lire per week |
| (b) | office ,, | 649.50 ,, ,, month |

(ii) *Agriculture.*

105. The contributions in agriculture, as in the case of tuberculosis, accident, and marriage and birth insurance, are subject to rules which differ from those applying to industry.

106. Flat contributions, i.e. (a) invalidity, old age, surviving dependents; (b) tuberculosis; (c) marriage and birth grants (there is no unemployment insurance for agriculture) are determined by a special Provincial Commission which classifies the casual agricultural workers and, for each farm, the number of casual workers estimated to be employed during the agricultural year. Permanent agricultural workers and métayers inform the Provincial Commission directly on these points.

On the basis of the information received for tem-

the crops. The amounts assessed for each farm owner are added to taxes to be paid by the farm owner. The method of payment of contributions is similar to that described in para. 152 for accident insurance.

108. The basic contributions in agriculture are:

| | |
|---|---|
| man . . . . . | 3.54 lire per day |
| woman, boy . . | 3.27 ,, ,, ,, |

*Insurance Benefits.*

109. Insurance benefits are the same for all categories of workers. The amount of the pension varies according to the contribution card. In the period 1936 to 1943 the disability and old age pensions were from 500 (or less) to 5,000 lire a year with an average of 790 lire in 1936 and 880 lire in 1942. The number of persons in 1942 entitled to these pensions was about 770,000 (including 400,000 entitled to old age pension).

110. Minimum pensions, as in June 1946, were the following:

Disability:
8,640 lire per year for men
6,480 ,, ,, ,, ,, women

Old age:
10,800 lire per year for men over 65
8,640 ,, ,, ,, ,, women over 60

111. The minimum allowance is increased by one-tenth for each dependent child. As from 1 June 1946 a fixed allowance of 300 lire is granted and charged to the State. The disability and old age pensions are not cumulative. The average pension may be estimated at about 9,000 lire. Since wages are lower in agriculture than in industry, pensions are also lower.

112.

(a) Where a person acquired a title to pension between 1 January 1940 and 31 December 1944 and died before 1 January 1945, his surviving dependents are entitled to a grant of an amount equal to one year's pension. The family allowances for children included in the pension are excluded from the grant.

(b) Where an insured person who was still paying premiums and was not entitled to pension died between 1 January 1940 and 31 December 1944 and in the five year period previous to his death

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103. The right to an old age pension cannot be acquired until 15 years after the payment of the first contribution. This limit was reduced to 10 years for those persons who paid their first contribution before 1 May 1939, and were over 45 years of age (men) and 40 years (women). For women the minimum contribution required for the old age pension has been reduced by one third. Minimum contributions are 2,925 lire for office workers, 1,125 lire for manual workers (excluding agricultural workers), and 337.50 to 1,350 for agricultural workers.

*Contributions.*

(i) *Industry and Other Trades.*

104. Contributions vary according to salary categories (10 categories for manual workers and 9 categories for office workers). Present contributions for the highest category are the following (as in June 1946):

| | | |
|---|---|---|
| (a) | manual workers | 114.30 lire per week |
| (b) | office ,, | 649.50 ,, ,, month |

(ii) *Agriculture.*

105. The contributions in agriculture, as in the case of tuberculosis, accident, and marriage and birth insurance, are subject to rules which differ from those applying to industry.

106. Flat contributions, i.e. (a) invalidity, old age, surviving dependents; (b) tuberculosis; (c) marriage and birth grants (there is no unemployment insurance for agriculture) are determined by a special Provincial Commission which classifies the casual agricultural workers and, for each farm, the number of casual workers estimated to be employed during the agricultural year. Permanent agricultural workers and métayers inform the Provincial Commission directly on these points.

107. On the basis of the information received for temporary and permanent agricultural labour, the Commission determines the contributions needed to insure all agricultural workers in the province concerned. The Provincial Commission assesses the contributions to be made by the various farm owners in the province, according to the acreage they possess and the nature of

man . . . . . 3.54 lire per day
woman, boy . . 3.27 ,, ,, ,,

*Insurance Benefits.*

109. Insurance benefits are the same for all categories of workers. The amount of the pension varies according to the contribution card. In the period 1936 to 1943 the disability and old age pensions were from 500 (or less) to 5,000 lire a year with an average of 790 lire in 1936 and 880 lire in 1942. The number of persons in 1942 entitled to these pensions was about 770,000 (including 400,000 entitled to old age pension).

110. Minimum pensions, as in June 1946, were the following:

Disability:
8,640 lire per year for men
6,480 ,, ,, ,, ,, women

Old age:
10,800 lire per year for men over 65
8,640 ,, ,, ,, ,, women over 60

111. The minimum allowance is increased by one-tenth for each dependent child. As from 1 June 1946 a fixed allowance of 300 lire is granted and charged to the State. The disability and old age pensions are not cumulative. The average pension may be estimated at about 9,000 lire. Since wages are lower in agriculture than in industry, pensions are also lower.

112.

(a) Where a person acquired a title to pension between 1 January 1940 and 31 December 1944 and died before 1 January 1945, his surviving dependents are entitled to a grant of an amount equal to one year's pension. The family allowances for children included in the pension are excluded from the grant.

(b) Where an insured person who was still paying premiums and was not entitled to pension died between 1 January 1940 and 31 December 1944 and in the five year period previous to his death had paid premiums for at least one year, his surviving dependents are entitled to a grant equal to the premiums paid before his death. The grant in this case is not lower than 500 lire and not higher than 1,500 lire.

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(c) Where a pensioned person dies (or has died after 31 December 1944) his surviving dependents are entitled to his pension for the following amounts: 50 % of the pension, if the surviving dependent is a widow or widower, or is an orphan without parents; 60 % if a widow or widower with one child, or three orphans without parents; 70 % if a widow or widower with two children; 80 % if a widow or widower with three children; 90 % if a widow or widower with four children; 100 % if a widow or widower with five or more children.

(d) Where an insured person (i.e. a person who is not yet a pensioned person but has acquired the title to pension) has died after 31 December 1944, his surviving dependents are entitled to the disability pension for the same amount as in (c).

## Unemployment

113. Compulsory insurance against unemployment was enforced by a law-decree of October 1919, which determined the regulations concerning the employment of labor. By a decree of December 1923 the management of this compulsory insurance was entrusted to the National Institute for Social Security. By a decree of October 1935, revised in April 1939, all social insurances were coordinated. The government which replaced fascism, in order to adjust benefits to the cost of living, by a decree of March 1945 established an integration fund for the payment of higher insurance benefits, which were increased by a law-decree of 20 May 1946.

114. A person is entitled to unemployed benefits after payment of 12 monthly contributions in the case of office workers and 52 weekly contributions for manual workers. These payments must be effected in the two years preceding the occurrence of the unemployment (excluding the periods of sickness). Moreover the person entitled to unemployment benefits should not have benefited by more than 180 days of indemnity during the year previous to the new application.

### (a) *Contributions.*

115. Contributions in this case also have reference to salary categories (10 categories for manual workers and 9 for office workers). The wages on which contributions were made amounted to a maximum of 156 lire added to the above, was fixed at 4 % of the salary (for a maximum salary of 3,600 lire per month). This 3,600 lire was in June 1946 increased to 6,250 lire per month (i.e. 1,562 lire per week) both for the manual worker and for the office worker.

116. The present contributions are:

(i) manual workers 64.28 lire per week;

(ii) office workers 259.00 lire per month.

### (b) *Benefits.*

117. Insurance benefits are as follow:

(i) manual workers from 32.50 lire to 37.00 lire per day;

(ii) office workers from 54.00 lire to 62.00 lire per day.

118. Persons receiving unemployment benefits are entitled to a supplementary daily allowance for each child not over 16 or a disabled child (in the case of a manual worker) or, in the case of an office worker, not over 18. This allowance is from 8.50 to 9.20 lire per day.

119. Comparison of this daily benefit rate with the present cost of food on the open market (a pound of bread costs from 35 to 60 lire) shows that under present conditions an unemployed man and his family are quite unable to purchase the barest necessities. Generally speaking, slowness in adjusting rates and benefits to prevailing conditions of life make the entire Italian social insurance system almost totally ineffectual at the present time.

120. The number of unemployed workers who in 1938 and 1945-46 were paid unemployment benefits were as follow:

| | |
|---|---|
| 1938 monthly average | 163.000 |
| *1945* | |
| October | 136.000 |
| November | 136.000 |
| December | 142.000 |
| *1946* | |
| January | 150.000 |
| February | 171.000 |
| March | 186.000 |

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one child, or three orphans without parents; 70 % if a widow or widower with two children; 80 % if a widow or widower with three children; 90 % if a widow or widower with four children; 100 % if a widow or widower with five or more children.

(d) Where an insured person (i.e. a person who is not yet a pensioned person but has acquired the title to pension) has died after 31 December 1944, his surviving dependents are entitled to the disability pension for the same amount as in (c).

## UNEMPLOYMENT

113. Compulsory insurance against unemployment was enforced by a law-decree of October 1919, which determined the regulations concerning the employment of labor. By a decree of December 1923 the management of this compulsory insurance was entrusted to the National Institute for Social Security. By a decree of October 1935, revised in April 1939, all social insurances were coordinated. The government which replaced fascism, in order to adjust benefits to the cost of living, by a decree of March 1945 established an integration fund for the payment of higher insurance benefits, which were increased by a law-decree of 20 May 1946.

114. A person is entitled to unemployed benefits after payment of 12 monthly contributions in the case of office workers and 52 weekly contributions for manual workers. These payments must be effected in the two years preceding the occurrence of the unemployment (excluding the periods of sickness). Moreover the person entitled to unemployment benefits should not have benefited by more than 180 days of indemnity during the year previous to the new application.

### (a) *Contributions.*

115. Contributions in this case also have reference to salary categories (10 categories for manual workers and 9 for office workers). The wages on which contributions were made amounted to a maximum of 156 lire per week for a manual worker and 1,400 lire per month for an office worker. Thus contributions varied from 0.50 to 1.80 lire per week for a manual worker and from 5.00 lire to 9.80 lire per month for office workers. With the establishment of the "Integration Fund" (see para. 101) the supplementary contribution, to be

(i) manual workers 64.28 lire per week;

(ii) office workers 259.80 lire per month.

### (b) *Benefits.*

117. Insurance benefits are as follow:

(i) manual workers from 52.50 lire to 57.00 lire per day;

(ii) office workers from 54.00 lire to 62.00 lire per day.

118. Persons receiving unemployment benefits are entitled to a supplementary daily allowance for each child not over 16 or a disabled child (in the case of a manual worker) or, in the case of an office worker, not over 18. This allowance is from 8.50 to 9.20 lire per day.

119. Comparison of this daily benefit rate with the present cost of food on the open market (a pound of bread costs from 35 to 60 lire) shows that under present conditions an unemployed man and his family are quite unable to purchase the barest necessities. Generally speaking, slowness in adjusting rates and benefits to prevailing conditions of life make the entire Italian social insurance system almost totally ineffectual at the present time.

120. The number of unemployed workers who in 1938 and 1945-46 were paid unemployment benefits were as follow:

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| 1938 monthly average . . . . | 163,000 |
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| October . . . . . | 136,000 |
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| December . . . . . | 142,000 |
| *1946* | |
| January . . . . . | 150,000 |
| February . . . . . | 171,000 |
| March . . . . . | 186,000 |

These figures do not actually include all unemployed workers, as only a proportion of the unemployed are registered (see para. 22). The period during which workers are entitled to benefits may not exceed 180 days in a year. In fact the average number of days during which the benefits were granted were 64 in 1942

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and 68 in 1941. The average period in 1936 was 45 days. Seasonal workers, such as workers in the building trade in winter time, are not entitled to unemployed benefits.

121. The Italian Government has endeavored to reduce unemployment by enforcing the 40 hour working week, and to alleviate the financial difficulties of unemployment by giving material assistance to cover those persons who are not entitled to relief because they have made insufficient contributions to the unemployment insurance scheme. The Government decreed in May 1946 that under certain circumstances an extraordinary unemployment subsidy (of 50 lire per day plus 8 lire per day for each dependent child) may be paid to unemployed workers not entitled to the daily unemployment compensation, provided that one contribution towards compulsory unemployment insurance has been paid before 30 June 1939. Decisions as to when and where this assistance may be paid are made by the Committee for Unemployment of the Ministry of Labor and Social Security. The period of benefit is the same as in the case of the normal benefit paid through the I.N.P.S.

## Tuberculosis Insurance

122. Compulsory insurance against tuberculosis was established by a decree of October 1927, revised by a decree of April 1939. The Government which replaced the fascist regime, in order to meet the rising cost of treatment and also to increase the benefit, by a decree of November 1945 brought the contributions and benefit to a self-liquidating level by drawing on the "Integration Fund" for social insurance established in March 1945 (see para. 101).

123. The minimum period of insurance before entitlement to insurance benefit is two years. One year's contribution must have been paid in the five years' period preceding the application in order to obtain the insurance benefit. Daily workers in agriculture are entitled to benefit for 156 days for men and 104 days for women. This type of insurance benefit for tuberculosis covers all occupations, including agriculture.

### (a) *Contributions.*

(i) *Industry, Commerce, etc.*

124. Contributions vary according to wage or salary [illegible] categories for

(ii) *Agriculture.*

125. Contributions for agriculture are as follow:

(i) daily paid workers:
man: 3.017 lire per day
woman, boy: 3.017 lire per day

(ii) permanent workers:
man: 1.81 lire per day - 300 days per year
woman, boy: 1.508 lire per day - 300 days per year

(iii) métayers (husbandmen):
man, woman, boy: 0.9227 lire per day on 240 days per year.

### (b) *Benefits* (for all categories).

126. Workers and their family dependents can be treated in any sanatorium of the National Institute for Social Security or, in some cases, can receive dispensary treatment and a grant during the period of treatment. This grant prior to May 1946 varied according to the contributions paid:

(i) manual workers 4.00 to 8.00 lire per day
(ii) office workers 6.00 to 12.00 lire per day.

127. By a law-decree of May 1946 an allowance has been added to this grant. This allowance for persons with dependents is equal to 50 lire per day per person plus 8 lire for each dependent child. For insured persons with no dependents the daily allowance is 15 lire.

128. This insurance does not differentiate between categories of workers. Up to 8 May 1946 cash benefits were granted only for one year. This period was extended for a further year by a decree of June 1946.

129. More than 90 % of the Institute's expenditure on tuberculosis benefits was paid for treatment in sanatoria. At the end of 1942 about 30,000 persons (20,000 insured and 10,000 family dependents) were admitted to sanatoria. The total number of days during which these persons were patients in sanatoria were 11 million.

130. The great increase since 1941 in tuberculosis cases —in addition to the increase in cost of treatment—has thrown the budget of this insurance into increased deficit.

## Marriage and Birth Grants

131. A maternity insurance has existed in Italy since 1910. This insurance applied only to women employed

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reduce unemployment by enforcing the 40 hour working week, and to alleviate the financial difficulties of unemployment by giving material assistance to cover those persons who are not entitled to relief because they have made insufficient contributions to the unemployment insurance scheme. The Government decreed in May 1946 that under certain circumstances an extraordinary unemployment subsidy (of 50 lire per day plus 8 lire per day for each dependent child) may be paid to unemployed workers not entitled to the daily unemployment compensation, provided that one contribution towards compulsory unemployment insurance has been paid before 30 June 1939. Decisions as to when and where this assistance may be paid are made by the Committee for Unemployment of the Ministry of Labor and Social Security. The period of benefit is the same as in the case of the normal benefit paid through the I.N.P.S.

## Tuberculosis Insurance

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123. The minimum period of insurance before entitlement to insurance benefit is two years. One year's contribution must have been paid in the five years' period preceding the application in order to obtain the insurance benefit. Daily workers in agriculture are entitled to benefit for 156 days for men and 104 days for women. This type of insurance benefit for tuberculosis covers all occupations, including agriculture.

### (a) *Contributions.*

#### (i) *Industry, Commerce, etc.*

124. Contributions vary according to wage or salary (10 categories for manual workers and 9 categories for office workers). The integrative contribution of 3 % is paid out of salaries and wages of a maximum of 6,250 lire for both manual workers and office workers. At present the total contributions amount to:

(i) manual workers 48.66 lire per week
(ii) office workers 194.70 lire per month.

(ii) permanent workers:
man: 1.81 lire per day - 300 days per year
woman, boy: 1.508 lire per day - 300 days per year

(iii) métayers (husbandmen):
man, woman, boy: 0.9227 lire per day on 240 days per year.

### (b) *Benefits* (for all categories).

126. Workers and their family dependents can be treated in any sanatorium of the National Institute for Social Security or, in some cases, can receive dispensary treatment and a grant during the period of treatment. This grant prior to May 1946 varied according to the contributions paid:

(i) manual workers 4.00 to 8.00 lire per day
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127. By a law-decree of May 1946 an allowance has been added to this grant. This allowance for persons with dependents is equal to 50 lire per day per person plus 8 lire for each dependent child. For insured persons with no dependents the daily allowance is 15 lire.

128. This insurance does not differentiate between categories of workers. Up to 8 May 1946 cash benefits were granted only for one year. This period was extended for a further year by a decree of June 1946.

129. More than 90 % of the Institute's expenditure on tuberculosis benefits was paid for treatment in sanatoria. At the end of 1942 about 30,000 persons (20,000 insured and 10,000 family dependents) were admitted to sanatoria. The total number of days during which these persons were patients in sanatoria were 11 million.

130. The great increase since 1941 in tuberculosis cases —in addition to the increase in cost of treatment—has thrown the budget of this insurance into increased deficit.

## Marriage and Birth Grants

131. A maternity insurance has existed in Italy since 1910. This insurance applied only to women employed in industry. By a law-decree of April 1939 marriage and birth compulsory insurance was established for all occupations, including agriculture. The minimum age limit for this insurance, both for men and women, is 14 years. Contributions and grants have not been changed since 1939.

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132. To enjoy marriage grants, contributions must have been paid for one year in the three year period preceding marriage. Moreover, one of the parties must have been insured for a period of at least two years. This applies also to birth insurance. The marriage grant is given to office workers (men not over 30, women not over 26) and manual workers, including agricultural workers (men and women not over 26). The same age limits apply to the daughters of the persons insured. Daughters are entitled to the same benefits, where they are not separately insured.

(a) *Contributions.*

133. For contributions, all workers (excluding agricultural manual workers) are divided into categories (9 for office workers and 10 for manual workers). The contributions for these categories are as follow:

(i) office workers (including agriculture) from 2.80 lire to 5.70 lire per month

(ii) manual workers (excluding agriculture) from 0.50 lire to 1.35 lire per week.

134. The contributions for agricultural workers are:

(i) daily paid workers:
men, 0.24 lire for each day of work
women and boys from 14 to 18, 0.22 lire for each day of work

(ii) permanent workers:
men, 22 lire per agricultural year
women and boys from 14 to 18, 24 lire per agricultural year

(iii) métayers and husbandmen:
men, women and boys, 18 lire per agricultural year.

(b) *Benefits.*

135. Marriage grants are made when the person insured gets married, or when the daughter of the insured marries, provided the daughter is not entitled to benefits under her own insurance policy. These grants are as follow:

(i) office workers:
men, lire 1,000
women, lire 700

(ii) manual workers (excluding agricultural workers):
Birth grants are as follows (1):

(i) office and manual workers (excluding agricultural workers):
first child, 300 lire
2nd, 3rd child, 350 lire each
4th and following, 400 lire each.

136. In case of involuntary therapeutical abortion the grant is reduced to 100 lire.

137. The birth grant is paid to the person entitled, regardless of whether the person concerned is a man or woman.

138. The number of grants for birth or abortion amounted to 163,761 in 1938 and to 454,906 in 1942 (the average allowance amounted to 185 to 284 lire). The number of marriage bonuses granted in 1942 was more than 100,000 (the average allowance was 566 lire).

*Loans Available to Persons not Nationally Insured.*

139. By a decree of 21 August 1937 No. 1542, marriage loans of from 1,000 to 3,000 lire were granted to workers (civil servants excluded). Loans are available to workers of 26 years and under with an income not exceeding 12,000 lire a year. The marriage loans were discontinued on the liberation of the national territory (in 1943 in the territory south of the Garigliano river, in 1944 in the territory south of the Gothic line, on 25 April 1945 in all the remaining territory).

140. The marriage loans were borne on the budget of the provinces. In 1942, 37,808 loans were granted for a total of 55,379,700 lire.

141. For Civil Servants, as from 1931 birth and marriage grants were paid for a total of 39,642,000 lire (average grant 2,200 lire), 65,792 birth grants for a total of 72,109,000 lire (average grant 1,096 lire). On 1 July 1946 these benefits were discontinued pending a review of the administration and finance of grants.

## *OTHER FORMS OF INSURANCE*

### Insurance against Sickness

142. Workers in industry, agriculture, commerce, banking and insurance (2) can benefit from this insurance. At the beginning, this insurance was granted through collective contracts drawn up by trade unions but not made to a uniform pattern. With the Janu-

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is given to office workers (men not over 30, women not over 26) and manual workers, including agricultural workers (men and women not over 26). The same age limits apply to the daughters of the persons insured. Daughters are entitled to the same benefits, where they are not separately insured.

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(ii) permanent workers:
men, 22 lire per agricultural year
women and boys from 14 to 18, 24 lire per agricultural year

(iii) métayers and husbandmen:
men, women and boys, 18 lire per agricultural year.

(b) *Benefits.*

135. Marriage grants are made when the person insured gets married, or when the daughter of the insured marries, provided the daughter is not entitled to benefits under her own insurance policy. These grants are as follow:

(i) office workers:
men, lire 1,000
women, lire 700

(ii) manual workers (excluding agricultural workers):
men, lire 700
women, lire 500

(iii) agricultural workers (including métayers and husbandmen):
men, lire 500
women, lire 400

4th and following, 400 lire each.

136. In case of involuntary therapeutical abortion the grant is reduced to 100 lire.

137. The birth grant is paid to the person entitled, regardless of whether the person concerned is a man or woman.

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## *OTHER FORMS OF INSURANCE*

### Insurance against Sickness

142. Workers in industry, agriculture, commerce, banking and insurance (2) can benefit from this insurance. At the beginning, this insurance was granted through collective contracts drawn up by trade unions but not made to a uniform pattern. With the Janu-

(1) The scale of grants reflects the stress put by the fascist government on large families.

(2) Contributions for commerce are 4% of salaries up to a maximum salary of 3,000 lire per month. For banking and insurance contributions are 2.50 % of basic salaries. Benefits are being reviewed.

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ary 1939 collective contract, the administration of sickness insurance was centralized in each province and by occupational groups. By the January 1943 law all mutual insurance organizations established by trade unions were centralized for each occupational group. The central organization was a single unit called the National Institute for Assistance to Sick Workers, which incorporated all former organizations. This was a step towards a general insurance against sickness to ensure that necessary medical care is given to all workers and their family dependents.

(a) *Contributions.*

(i) *Industry.*

143. By a law-decree of April 1946 and as from 1 May 1946 contributions for this form of insurance were decided as follows:

(i) manual workers 5 % of the gross total wages;
(ii) office workers 3 % of the gross total salary.

(ii) *Agriculture.*

144. Contributions in agriculture are as follows:

(i) daily paid workers:
man, 6.10 lire per day
woman, boy, 4.10 lire per day

(ii) permanent workers:
man 4.50 lire per day for 300 days per year;
woman, boy 3.04 lire per day for 300 days per year

(iii) husbandmen, métayers:
man, woman, boy 1.04 lire per day for 240 days per year.

(b) *Benefits.*

(i) *Industry.*

145. Benefits for workers and family dependents are:

(i) manual workers:
50 % of the daily average total wages
1.000 lire bonus for each newly-born child (1)
2.000 lire allowance for burial expenses

(ii) office workers:
2.500 lire as a maximum refund for hospital or sanatorium expenses, plus 50 % of any exceeding expense;

(ii) *Agriculture.*

146. Benefits may be summarized as follows: daily benefits (husbandmen and métayers are excluded from daily benefits) from 25 to 60 lire for men and from 16 to 40 lire for women and boys. Medical assistance (doctor, hospital and, in most cases also medicines) available to manual workers, office workers and their family dependents for all categories both in industry and agriculture. Benefits granted through dispensaries, under the direction of specialized doctors, are substantial.

### Insurance against Accidents

147. Accident insurance, good only for workers in industry, was established as a compulsory insurance in 1883, and is regulated by the laws of 1888 and 1904; it is administered by a special organization (Cassa Nazionale Infortuni - National Accident Fund). In 1919 accident insurance was extended to cover accidents in agriculture and was placed under the administration of regional organizations (Mutual Accident Insurance Fund). The forms of insurance against industrial accidents include also occupational diseases (2).

148. By a law-decree of March 1933 the various organizations then existing were centralized in the present "National Accident Insurance Institute" (INAIL).

149. By a law-decree of August 1935 the following changes were made to the 1904 law:

(a) Benefits paid as pensions would be replaced by a grant paid in a lump sum;
(b) compulsory medical and surgical treatment and supply of prosthetic equipment to be charged to the Insurance Institute;
(c) change in the amount of the benefits for temporary disability and increase of the minimum daily benefits.

In recent years the sums paid in benefits have largely increased and some benefits have been improved.

(a) *Contributions.*

150. Contributions have always been made by employers only.

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(2) The Italian law regarding the prevention of accidents included, for occupational diseases, the following poisonings: (1) lead, (2) mercury, (3) phosphorus, (4) carbon sulphide, 5) benzol, (6) anchylostomiasis (industrial). By a law of 12 April 1943 (7) silicosis and (8) asbestosis were also included in the diseases

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The central organization was a single unit called the National Institute for Assistance to Sick Workers, which incorporated all former organizations. This was a step towards a general insurance against sickness to ensure that necessary medical care is given to all workers and their family dependents.

(a) *Contributions.*

(i) *Industry.*

143. By a law-decree of April 1946 and as from 1 May 1946 contributions for this form of insurance were decided as follows:

(i) manual workers 5 % of the gross total wages;
(ii) office workers 3 % of the gross total salary.

(ii) *Agriculture.*

144. Contributions in agriculture are as follows:

(i) daily paid workers:
man, 6.10 lire per day
woman, boy, 4.10 lire per day

(ii) permanent workers:
man 4.50 lire per day for 300 days per year:
woman, boy 3.04 lire per day for 300 days per year

(iii) husbandmen, métayers:
man, woman, boy 1.04 lire per day for 240 days per year.

(b) *Benefits.*

(i) *Industry.*

145. Benefits for workers and family dependents are:

(i) manual workers:
50 % of the daily average total wages
1.000 lire bonus for each newly-born child (1)
2.000 lire allowance for burial expenses

(ii) office workers:
2.500 lire as a maximum refund for hospital or sanatorium expenses, plus 50 % of any exceeding expense:
3.000 lire for any surgical operation performed at the home of the worker.

(1) This grant, which is additional to the marriage and birth grants, is designed to cover initial expenses for the infant.

(doctor, hospital and, in most cases also medicines) available to manual workers, office workers and their family dependents for all categories both in industry and agriculture. Benefits granted through dispensaries, under the direction of specialized doctors, are substantial.

### Insurance against Accidents

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(a) Benefits paid as pensions would be replaced by a grant paid in a lump sum;
(b) compulsory medical and surgical treatment and supply of prosthetic equipment to be charged to the Insurance Institute;
(c) change in the amount of the benefits for temporary disability and increase of the minimum daily benefits.

In recent years the sums paid in benefits have largely increased and some benefits have been improved.

(a) *Contributions.*

150. Contributions have always been made by employers only.

(2) The Italian law regarding the prevention of accidents included, for occupational diseases, the following poisonings: (1) lead, (2) mercury, (3) phosphorus, (4) carbon sulphide, 5) benzol, (6) ancylostomiasis (industrial). By a law of 12 April 1943 (7) silicosis and (8) asbestosis were also included in the diseases for which insurance is compulsory. The insurance is limited in scope to poisoning caused by certain processes (and not therefore from all processes for which insurance against accidents is compulsory), and only if it reaches a particular and severe stage of morbidity (excluding therefore all other stages). This explains why the number of claims presented is small and why of the 979 claims made in 1945, only 553 were accepted. The largest number of claims is for lead poisoning.

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(i) *Industry.*

151. Contributions in industry vary according to the risk from a minimum of 0.6 % (hotel industry) to 18 % (explosives industry) up to a maximum 23.10 % for the pyrotechnical industry. The weighted average of the 600 tariffs amounts to about 3.50 % of the basic wages. As from 8 May 1946 this contribution is calculated on gross wages, i.e. including the various allowances and bonuses granted during recent years.

(ii) *Agriculture.*

152. The manner of paying contributions in agriculture differs from that followed in industry. Each year the National Accident Insurance Institute submits to the Finance Ministry a contributions estimate for the following year, and on this basis farmers are assessed. The Institute is under the supervision of the Ministry for Labour and Social Security.

153. For 1946 contributions of 700 million lire were requested for a total of 8 million insured persons. This is equal to 87.50 lire a year for each insured person, or to 0.29 lire per working day (300 working days in one year). The insurance applies to men, women and boys from 12 to 65 years old and is continued for men until they are 70.

(b) *Benefits.*

(i) *Industry.*

154. The benefits are:

(a) *Temporary disability.*

The daily benefit amounts to two thirds of the 300 (yearly working days) divided by 360 (days of the year) times the daily wage (of the gross wage as from 8 May 1946).

(b) *Permanent disability.*

The benefit for permanent disability is equal to two thirds of the salary up to a maximum salary of 12,000 lire per year. Thus the maximum benefit for a total disability would be 8,000 lire if the yearly salary is equal to or more than 12,000 lire.

155. Over and above these benefits there are:

a "war allowance" which varies according to the degree of disability. This bonus is:

from 50 % to 59 % disability, 200 lire per month;
from 60 % to 79 % disability, 250 lire per month;
from 80 % to 100 % disability, 300 lire per month.

a temporary cost of living bonus varying according to the degree of disability. This bonus is:

from 50 % to 59 % disability, 200 lire per month;
from 60 % to 79 % disability, 250 lire per month;
from 80 % to 100 % disability, 300 lire per month.

156. Therefore, the maximum yearly benefits that can be granted, as in June 1946, for permanent disability are: lire 8,000 basic + 1,260 war allowance + 2,400 additional allowance + 3,600 cost of living bonus = lire 15,260. A person suffering 80 % disability or more, needing continuous personal assistance, may claim on the basis of a total maximum salary allowed by law, i.e. 12,000 lire, so that the accident benefits may reach 19,260 lire.

(c) *Fatal Accident.*

157. In case of death arising out of an accident, a yearly pension of 8,000 lire is granted, 50 % of which goes to the widow. If there are surviving children each child is entitled to a quota equal to 20 % up to a total of 150 %, i.e. not above 12,000 lire a year for the surviving family.

158. A "cost of living bonus" equal to 3,600 lire a year is also granted. To this the "war allowance" must be added: it varies according to the number of surviving dependents. Its maximum amount is 450 lire for the widow and 180 lire for each child.

(ii) *Agriculture.*

159. By a decree of February 1946 the rates of benefit in agriculture were brought up to date. For accident causing a temporary disability a daily benefit ranging between 10 and 30 lire is granted. For a fatal accident or an accident causing a total permanent disability a lump sum grant of from 19,000 to 62,000 lire is paid.

160. The amount of benefit paid (for instance in 1942) was slightly less than half that paid out in sickness insurance (see Table 14). Most of the grants were paid to industrial workers; agricultural workers received about one tenth of the total benefit paid.

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of the 600 farms amounts to about 3.50 % of the basic wages. As from 8 May 1946 this contribution is calculated on gross wages, i.e. including the various allowances and bonuses granted during recent years.

(ii) *Agriculture.*

152. The manner of paying contributions in agriculture differs from that followed in industry. Each year the National Accident Insurance Institute submits to the Finance Ministry a contributions estimate for the following year, and on this basis farmers are assessed. The Institute is under the supervision of the Ministry for Labour and Social Security.

153. For 1946 contributions of 700 million lire were requested for a total of 8 million insured persons. This is equal to 87.50 lire a year for each insured person, or to 0.29 lire per working day (300 working days in one year). The insurance applies to men, women and boys from 12 to 65 years old and is continued for men until they are 70.

(b) *Benefits.*

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(b) *Permanent disability.*

The benefit for permanent disability is equal to two thirds of the salary up to a maximum salary of 12,000 lire per year. Thus the maximum benefit for a total disability would be 8,000 lire if the yearly salary is equal to or more than 12,000 lire.

155. Over and above these benefits there are:

a "war allowance" which varies according to the salary and the rate of disability up to a maximum of 1,200 lire a year;

an additional allowance varying also according to the salary, the rate of disability and the number of family dependents, up to a maximum of 2,400 lire per year;

from 60 % to 79 % disability, 200 lire per month;

from 80 % to 100 % disability, 300 lire per month.

156. Therefore, the maximum yearly benefits that can be granted, as in June 1946, for permanent disability are: lire 8,000 basic + 1,260 war allowance + 2,400 additional allowance + 3,600 cost of living bonus = lire 15,260. A person suffering 80 % disability or more, needing continuous personal assistance, may claim on the basis of a total maximum salary allowed by law, i.e. 12,000 lire, so that the accident benefits may reach 19,260 lire.

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160. The amount of benefit paid (for instance in 1942) was slightly less than half that paid out in sickness insurance (see Table 14). Most of the grants were paid to industrial workers; agricultural workers received about one tenth of the total benefit paid.

(c) *Prevention of Accidents.*

161. The "Ente Nazionale di Propaganda per la Prevenzione degli Infortuni" (E.N.P.I. - National Organization Propagandizing the Prevention of Accidents) has been developed from three types of service:

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(a) Technical service, consisting of (i) tests and periodic checks of elevators; (ii) checks on electric installations for the purpose of preventing fires; tests and checks of centrifugal hydro-extractors, cranes, tackles, winches, etc.; (iii) visits to industrial firms to advise on safety rules for the prevention of accidents.

(b) Medical service, consisting of medical examination and provision of dispensaries in industries.

(c) Propaganda service, consisting of periodical and other publications, propaganda by posters, radio, moving pictures, gramophone records, competitions, exhibits and conferences.)

## *OTHER FORMS OF SOCIAL SECURITY IN FAVOR OF WORKERS*

### Family Allowances

162. Family allowances are available to all occupations, i.e. industry, agriculture, commerce, banking and insurance, etc. Allowances are granted varying according to the number of family dependents.

163. These allowances were made to workers in industry in a collective contract of December 1934. By decrees of June and July 1937, family allowances were granted to all occupations and by a law of August 1940 the Unified Fund for Family Allowances (Cassa Unica per Assegni Familiari) was established.

164. By decree of March 1941, family allowances were increased by contract and legal provisions; and in 1941 and 1942 benefits and relative contributions were doubled, except for agricultural workers.

165. By a law-decree of November 1944 family allowances were again increased and a supplementary "cost of living" bonus was granted. The contributions remained unchanged. Further improvements in the benefits were made by a law decree of August 1945.

(a) *Contributions.*

166. At present contributions are as follows: for *industry* (manual and office workers) 20 % of wages or salaries; for *agriculture* (permanent and daily paid manual workers) 1.50 lire for each working day, (office workers) 20 % of salary; for *commerce* (manual and office workers) 14.80 % of salary; for *banking and insurance* (manual and office workers) from 20.40 % to 38.50 % of wages or salaries.

(b) *Benefits.*

167. Allowances are as follows:

TABLE 17

Family Allowances: Benefits by Occupational Category: 1946

| | Industry (lire per week) | Agriculture (lire per day) | Commerce (lire per month) | Banking and Insurance (lire per month) |
|---|---|---|---|---|
| a) Manual workers | | | | |
| For each child . . | 78 | 1.00 | 311 | from 329 to 351 |
| For wife . . . | 84 | 1.45 | 323 | 355 |
| For each parent . . | 69 | 0.80 | 275 | 303 |

| | Industry and Agriculture (lire per month) | | |
|---|---|---|---|

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extractors, cranes, tackles, winches, etc.; (m) visits to industrial firms to advise on safety rules for the prevention of accidents.

(b) Medical service, consisting of medical examination and provision of dispensaries in industries.

(c) Propaganda service, consisting of periodical and other publications, propaganda by posters, radio, moving pictures, gramophone records, competitions, exhibits and conferences.)

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| For each child . . | 78 | 1.00 | 311 | from 329 to 351 |
| For wife . . . | 84 | 1.45 | 323 | 355 |
| For each parent . . | 66 | 0.80 | 275 | 303 |
| | Industry and Agriculture (lire per month) | | | |
| *b)* Office workers | | | | |
| For each child . . | 390 | | 359 | from 383 to 524 |
| For wife . . . | 416 | | 371 | „ 407 „ 537 |
| For each parent . . | 338 | | 299 | „ 342 „ 407 |

Source: I.N.P.S.

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168. For industry, allowances in 1946 for a family consisting of a man, wife and 2 children, are for a manual worker 4.6 and for an office worker 3.66 times the allowances in 1942.

169. The administration of family allowances is entrusted to the National Institute for Social Security. In 1942 the total contributions greatly exceeded the total contributions for all other forms of insurance, together. The high percentages of contributions result from the calculation of contributions on gross wages (see Table 14). In 1942, out of a total of contributions of 6,347 million lire, 5,214 million were paid by industry. Of the benefits granted, amounting to 6,222 million lire, 5,073 million were paid by industry.

## Fund for Workers Working Part Time

170. This form of insurance is restricted to industry and was originally established in the collective labor contracts of June and July 1941. This fund supplements the pay received by workers working part-time owing to slack conditions in the firm in which they are employed.

### (a) *Contributions.*

171. The provisions regarding contributions are:

(a) As from 1 June 1946 the employer pays 3.50 % of the total gross wages paid to workers on a maximum wage of 6,250 lire for Central and Southern Italy and with no maximum wage limit for Northern Italy.

(b) The Government pays an amount equal to that paid by the employer.

### (b) *Benefits.*

172. The Fund, i.e. Wages Integration Fund, pays industrial workers in benefits two thirds for time lost between 24 and 40 hours per week; workers who get this supplement to their pay are paid also full family allowances. The supplement is paid by the employer, who is refunded from the Fund (see para. 174). This arrangement applies to Central and Southern Italy.

173. A decree of November 1945, which repealed the decree No. 523 of 21 August 1945, makes the following provisions:

(i) workers whose dismissal is provided for by law (1) are entitled to a supplementary salary for 60 days from the date of dismissal, over and above the allowances provided by law or by collective labor contracts and over and above the full family allowances.

The provisions under (i) and (ii) for Northern Italy may be extended to other provinces.

174. The contributions and benefits under the Fund for manual and office workers working part-time in industry during the first quarter of 1946 are:

TABLE 18

### Fund for Workers Working Part-Time
### Wages Integration Fund, 1946

| Date | Benefits | Contributions | Deficit |
|---|---|---|---|
| | in thousands of lire | | |
| 1946 January | 459,675 | 158,338 | 301,337 |
| February | 755,390 | 137,321 | 618,069 |
| March | 683,942 | 172,436 | 511,506 |
| Total 1st quarter | 1,899,007 | 468,095 | 1,430,912 |
| 1946 April | 830,667 | 241,240 | 589,627 |
| May | 716,352 | 312,753 | 403,599 |

Source: I.N.P.S.

As the deficit occurring in the Fund for workers working part-time cannot be covered by the National Institute of Social Security, the deficit is now met by advances made by the State to the National Institute.

## Fund for Military Reservists Redrafted to Armed Services (Re-Inductees)

175. This fund was established in June 1940 for the purpose of compensating for the difference between civilian pay and pay in the armed forces, and was extended to include all occupations (agriculture, industry, commerce, banking and insurance, professional workers and artists). The fund has two separate accounts: [illegible] For clerical workers

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170. This form of insurance is restricted to industry and was originally established in the collective labor contracts of June and July 1941. This fund supplements the pay received by workers working part-time owing to slack conditions in the firm in which they are employed.

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171. The provisions regarding contributions are:

(a) As from 1 June 1946 the employer pays 3.50 % of the total gross wages paid to workers on a maximum wage of 6,250 lire for Central and Southern Italy and with no maximum wage limit for Northern Italy.

(b) The Government pays an amount equal to that paid by the employer.

(b) *Benefits.*

172. The Fund, i.e. Wages Integration Fund, pays industrial workers in benefits two thirds for time lost between 24 and 40 hours per week; workers who get this supplement to their pay are paid also full family allowances. The supplement is paid by the employer, who is refunded from the Fund (see para. 174). This arrangement applies to Central and Southern Italy.

173. A decree of November 1945, which repealed the decree No. 523 of 21 August 1945, makes the following special provisions for Northern Italy:

(i) both manual and clerical workers are entitled to supplementary assistance for any working time lost up to 40 hours per week;

(ii) 40 hours are the maximum that can be worked in a week;

The provisions under (i) and (ii) for Northern Italy may be extended to other provinces.

174. The contributions and benefits under the Fund for manual and office workers working part-time in industry during the first quarter of 1946 are:

TABLE 18

Fund for Workers Working Part-Time
Wages Integration Fund, 1946

| Date | Benefits | Contributions | Deficit |
|---|---|---|---|
| | in thousands of lire | | |
| 1946 January | 459,675 | 158,338 | 301,337 |
| February | 755,390 | 137,321 | 618,069 |
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| Total 1st quarter | 1,899,007 | 468,095 | 1,430,912 |
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Source: I.N.P.S.

As the deficit occurring in the Fund for workers working part-time cannot be covered by the National Institute of Social Security, the deficit is now met by advances made by the State to the National Institute.

### Fund for Military Reservists Redrafted to Armed Services (Re-Inductees)

175. This fund was established in June 1940 for the purpose of compensating for the difference between civilian pay and pay in the armed forces, and was extended to include all occupations (agriculture, industry, commerce, banking and insurance, professional workers and artists). The fund has two separate accounts: for clerical and manual workers. For clerical workers the fund covers all occupations and for manual workers it covers industry only.

(1) E.g. where legislative steps are taken for block dismissals of employees.

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*Clerical Workers Recalled to Armed Services.*

(a) *Contributions.*

176. By a decree of August 1942 contributions paid by the employers are equal to 5 % of the gross salary (maximum individual gross salary 3,600 lire per month). By a lawdecree of June 1946 the contributions were reduced to 2.50 % and the maximum gross salary was raised to 6.250 lire.

(b) *Benefits.*

177. The Fund pays the salary to the employee called to the armed forces from the Reserve (and also to prisoners of war as well as to families of civilians who have been interned).

178. Compensation equal to civilian wages is given to military re-inductees for the first two months of service in the armed forces. After this period and up to the point of discharge, where the military pay is lower than the civilian wage, a monthly compensation is paid equal to the difference between these two incomes. Enlisted men are entitled to the rates of civilian wages in addition to military pay for the duration of their service.

*Manual Workers in Industry Recalled to Armed Services.*

(a) *Contributions.*

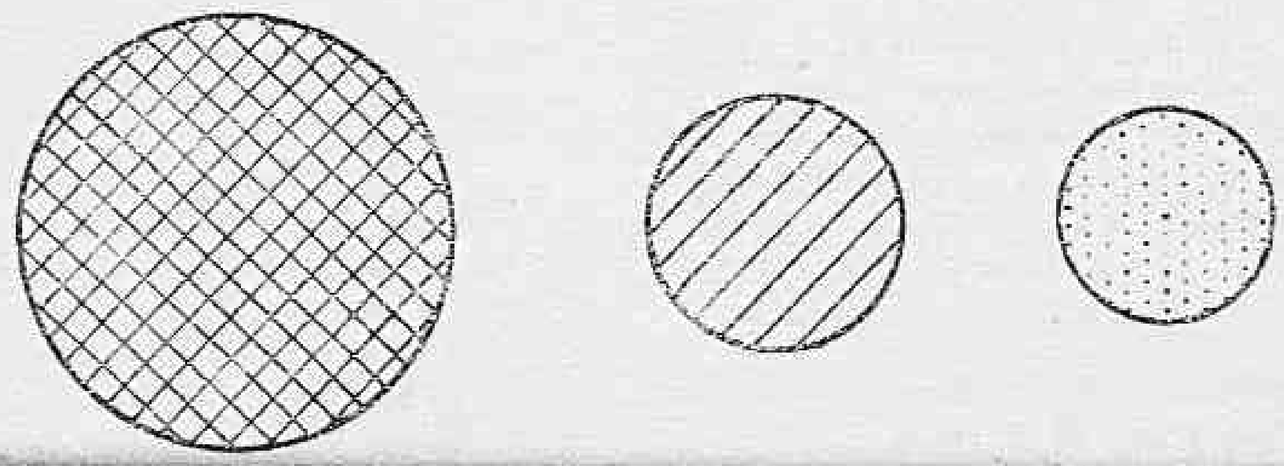
179. In accordance with the collective contract of July 1942, the contributions paid are equal to 1 % of the gross wages (the maximum individual gross wage is 3,600 lire a month). By a law-decree of June 1946 the contribution was reduced to 0.50 % and the maximum individual gross wage increased to 6,250 lire per month (the same figure as for clerical workers). In all cases the contributions are paid by the employer.

(b) *Benefits.*

180. The benefit amounts to a 14 days wage (calculated from the wages cashed at the time of recall to the armed services). A Xmas bonus is also paid to manual workers in industry. This bonus is equal to 200 hours of wages.

TABLE 19

COMPARISONS BETWEEN STATE REVENUE (ENTRATE EFFETTIVE), CONTRIBUTIONS AND BENEFITS OF THE SOCIAL INSURANCE AND SECURITY SYSTEM IN 1942



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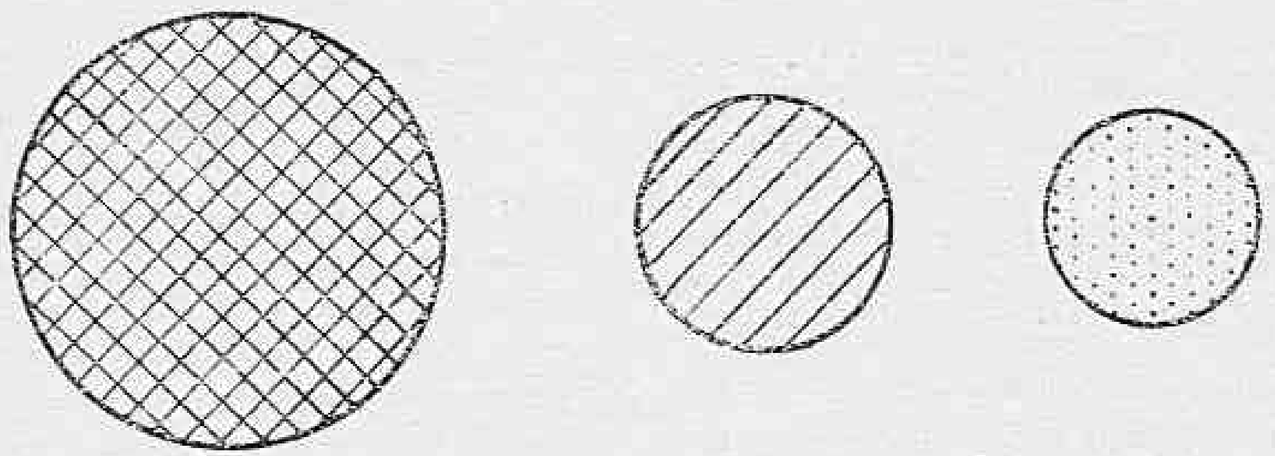

| | TOTAL STATE REVENUE (ENTRATE EFFETTIVE) | TOTAL CONTRIBUTIONS | TOTAL BENEFITS |
|---|---|---|---|
| Million lire | 38,558 | 13,441 | 10,572 |

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181. The National Institute for Social Security pays the family allowances to manual workers in all occupations (industry, agriculture, commerce, banking and insurance). Every three months the Institute submits a voucher of expenses to the State, which refunds the expenses.

*General.*

182. In 1942 out of a total 365 million lire of contributions in respect of recalled Reservists (see Table 14), 280 million were paid by industry. Benefits, amounting to 1.082.6 million, were granted in the following manner: 675.9 million lire to industrial workers; 226.4 million to workers in commerce; 165.4 million to employees in banking and insurance; 7.9 million to agricultural workers and 7.0 million to employed professional and cultural workers.

*SUMMARY*

183. The Italian Providential and Insurance system, described in the preceding paragraphs, benefits workers and employees of all branches of economic activity: (a) by the payment of indemnities (family allowances) to heads of families in addition to the individual's salary. This tends to create a "social salary" proportionate to the size of the family: (b) by giving assistance during difficult times (total or partial unemployment, illness, tuberculosis, accidents at work and embodiment in the armed forces): (c) by grants on occasions which entail unusual expenses (marriages and births): (d) by providing for the time when work is no longer possible (disability, old age, death).

184. As in other advanced countries the major function which must be exercised by Government in dealing with social security problems, some of which are outside the control of the employer and the worker has long been recognized in Italy. The wide field of insurance and welfare has been covered, in the main gradually, over a period of more than thirty years with legislation and the creation from time to time of special institutions (Maternity Institutes, National Institute for Accidents, National Institute of Social Providence, etc.) This evolutionary development explains on the one hand the

185. Further complications of an economic and financial character have arisen during recent years as a consequence of war and inflation which have made benefits inadequate. Attempts to adjust insurance benefits and contributions to the altered purchasing power of the lire proceeded by purely empirical methods, and with different results in the different types of insurances. An important change was made on 1 June 1946 in the system of deduction of contributions when all the social charges, formerly met in part by the employees, were transferred to the employers.

186. Apart from the necessity of increasing the value of benefits, a complete overhaul of the various insurance schemes will be needed to co-ordinate and in particular, to simplify their organisation. The problem is being explored by the Government and by workers' and employers' organizations.

187. The insurance system, apart from being an important element in the social policy of the Government, represents an appreciable charge on the National Economy, as may be seen from a comparison (for the year 1942) between the value of contributions and benefits and that of the total national income (see graph - Table 19).

188. The State insurance and security system in Italy is compulsory. There is also, however, a large number of private Italian insurance firms in Italy. These firms, which provide life insurance and insurance against damages, had numerous branches abroad as well as in Italy.

189. Before the war the Istituto Nazionale Assicurazioni (INA - National Insurance Institute)—a semi-public organization—and 21 private Italian agencies under Government supervision were engaged in providing life insurance. The Government fixed a uniform premium and ruled that a proportion of each company's insurance should be reinsured with the National Insurance Institute. Of the 7.2 thousand million lire reserves (riserve matematiche), held by all insurance companies, 5.5 thousand million lire are National Insurance Institute reserves. Insurance other than life insurance covers accidents, illness, fire, theft, travel, risks, damage by hail, loss of cattle, etc.

190. Another type of insurance in Italy is provided by various professional groups. For example—the

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190. Another type of insurance in Italy is provided by various professional groups. For example—the Association for the provision of pensions to local government employees (La Cassa Previdenza per le pensioni agli impiegati e salariati di Enti locali) had 124,000 members in 1940: the elementary school teachers pensions Institute (Il Monte Pensioni per gli insegnanti delle scuole pubbliche elementari) had 123,500 members in 1940: and the Medical Workers' pensions

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association (la Cassa di Previdenza per le pensioni dei sanitari) had 14.000 members in 1940.

191. A summary of the main characteristics of Italian social security is shown in Table 20 where comparison is made of the systems in Italy, the United States and Great Britain.

192. In considering the value of the benefits shown for Italy, it should be noted that the average monthly expenses of a normal Italian worker's family (2 adults 3 children) on food alone (1,700 calories per diem per person) were, in June 1946, approximately 13.000 to 15.000 lire ($66.40 at the exchange rate of 225 lire).

193. With the end of the war the fund for re-inductees is drawn on only for the payment of outstanding benefits.

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# Comparison of National Insurance in Italy, United States and United Kingdom: 1946

*(NOTE: In Italy, workers in 1946 pay no contributions. These are all paid by employers)*

| TYPE OF INSURANCE | ITALY | U.S. (4) | U.K. (5) |
|---|---|---|---|
| Invalidity (1), old age and surviving dependants. | From 1 June 1946 all contributions in all schemes are paid by employers.<br>*Contributions:*<br>Industry { manual workers 114.30 lire per week (0.51 dollars) (2); office workers 649.50 lire per month (2.89 dollars)<br>Agricultural workers 21.24 lire per week (0.09 dollars).<br>*Benefits:*<br>Disability:<br>8,640 lire (men) (38.10 dollars) a year<br>6,480 .. (women) (28.80 dollars) a year<br>Old age:<br>10,800 lire (men over 65) (48.00 dollars) a year<br>8,640 .. (women over 60) (38.40 dollars) a year<br>Dependants of insured persons who die are entitled to continued enjoyment of the pension.<br>The insurance applies to all trades.<br>*National benefit* (3):<br>40 dollars (9,000 lire) per year. | *Contributions:*<br>1 % of wages paid by worker<br>1 % .. .. .. .. employer<br>To be increased gradually to 3 % by worker and 3 % by employer.<br>*Benefits:*<br>40 % of first 50 dollars of monthly wage; 10 % of remainder of wage, plus small percentage increases for each year of work.<br>Compulsory insurance for industrial worker only.<br>It applies to all establishments of 8 or more employees and covers over half the working population; 75 % to 80 % are completely or partly covered.<br>*National benefit* (3):<br>396 dollars per year. | *Contributions:*<br>See Table 20A.<br>*Benefits:*<br>26 shillings per week (5.20 do ment (or at age of 65 fo woman). Plus 16 shilling wife.<br>Lower rates will in general women.<br>Death grant of £20 (80 dolla<br>Widow's Allowance (first 13 (7.20 dollars) a week.<br>Widowed mother's Allowance dollars) a week.<br>Widow's Pension 26 shilli week.<br>Guardian's allowance 12 sh a week.<br>*National benefit* (3):<br>270.40 dollars per year (26 |

(1) U. S. Does not include invalidity insurance.
(2) Lire are converted to U. S. dollars at 225 lire the dollar in all cases. Shillings are converted at 5 to dollar.
(3) Notional Benefit - this is an approximate figure taken to give a rough indication of the differences between the various rates of benefit in the three coun
(4) *Source*: RICHARD A. LESTER - Economics of Labor (MACMILLAN 1941).
(5) National Insurance Bill 1946 - H. M. Stationery Office. Cmd 6729 and other Sources.

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TABLE 20

## Comparison of National Insurance in Italy, United States and United Kingdom: 1946

*(NOTE: In Italy, workers in 1946 pay no contributions. These are all paid by employers)*

| INSURANCE | ITALY | U.S. (4) | U.K. (5) |
|---|---|---|---|
| old age and pendants. | From 1 June 1946 all contributions in all schemes are paid by employers.<br>*Contributions:*<br>Industry { manual workers 114.30 lire per week (0.51 dollars) (2); office workers 649.50 lire per month (2.89 dollars)<br>Agricultural workers 21.24 lire per week (0.09 dollars).<br>*Benefits:*<br>Disability:<br>8,640 lire (men) (38.40 dollars) a year<br>6,480 „ (women) (28.80 dollars) a year<br>Old age:<br>10,800 lire (men over 65) (48.00 dollars) a year<br>8,640 „ (women over 60) (38.40 dollars) a year<br>Dependants of insured persons who die are entitled to continued enjoyment of the pension.<br>The insurance applies to all trades. | *Contributions:*<br>1 % of wages paid by worker<br>1 % „ „ „ „ employer<br>To be increased gradually to 3 % by worker and 3 % by employer.<br>*Benefits:*<br>10 % of first 50 dollars of monthly wage; 10 % of remainder of wage, plus small percentage increases for each year of work.<br>Compulsory insurance for industrial worker only.<br>It applies to all establishments of 8 or more employees and covers over half the working population; 75 % to 80 % are completely or partly covered. | *Contributions:*<br>See Table 20A.<br>*Benefits:*<br>26 shillings per week (5.20 dollars) (2) for retirement (or at age of 65 for a man and 60 a woman). Plus 16 shillings (3.20 dollars) for wife.<br>Lower rates will in general be paid to married women.<br>Death grant of £20 (80 dollars).<br>Widow's Allowance (first 13 weeks) 36 shillings (7.20 dollars) a week.<br>Widowed mother's Allowance 33.5 shillings (6.7 dollars) a week.<br>Widow's Pension 26 shillings (5.20 dollars) a week.<br>Guardian's allowance 12 shillings (2.40 dollars) a week. |
| | *Notional benefit* (3):<br>40 dollars (9,000 lire) per year. | *Notional benefit* (3):<br>396 dollars per year. | *Notional benefit* (3):<br>270.40 dollars per year (26 shillings per week). |

oes not include invalidity insurance.
re converted to U.S. dollars at 225 lire the dollar in all cases. Shillings are converted at 5 to dollar.
al Benefit - this is an approximate figure taken to give a rough indication of the differences between the various rates of benefit in the three countries.
: Richard A. Lester – Economics of Labor (MacMillan 1941).
al Insurance Bill 1946 – H.M. Stationery Office, Cmd 6729 and other Sources.

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| TYPE OF INSURANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| Unemployment | *Contributions:*<br>Manual workers 61.21 lire (0.29 dollars) per week.<br>Office workers 259.80 lire (1.15 dollars) per month.<br><br>*Benefits:*<br>Daily:<br>Manual workers 32.50-37.00 lire (0.23-0.25 dollars).<br>Office workers 51.00-62.00 lire (0.24-0.28 dollars).<br>Plus 8.50-9.20 lire (0.038-0.04 dollars) per day for each child under 16 or (for insured office workers) under 18.<br>Period of benefit not to exceed 180 days each year.<br>Seasonal workers not entitled to these benefits.<br>This insurance does not apply to agriculture<br><br>*National benefit* (3):<br>(man with 3 children)<br>1.68 dollars (378 lire) per week. | *Contributions:*<br>(generally only by employer)<br>3 % tax on payroll (for first 3000 dollars of each employees annual salary).<br><br>*Benefits:*<br>Approximately 50 % of wages.<br>Minimum 5 dollars weekly<br>Maximum 15 dollars weekly } in most States<br>Period of benefit not to exceed 14-16 weeks per year.<br>Regulations differ between States but in general unemployment insurance applies to establishments having more than 8 employees.<br>The insurance is mainly for industrial workers and covers a large proportion of the total working population.<br><br>*National benefit:*<br>9 dollars per week. | *Contributions:*<br>See Table 29A.<br><br>*Benefits:*<br>26 shillings per week (5.20 d<br>Plus 16 shillings (3.20 dolla<br>or other adult dependent<br>pence (1.50 dollars) a we<br>Lower rates will in general<br>women.<br>Period of benefit not defin<br>Scheme will be reviewed i<br><br>*National benefit:*<br>(man with 3 children)<br>9.90 dollars (19 shillings 6 |

(3) See note on previous page.

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| RANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| | *Contributions:*<br>Manual workers 61.21 lire (0.29 dollars) per week.<br>Office workers 259.80 lire (1.15 dollars) per month | *Contributions:*<br>(generally only by employer)<br>3 % tax on payroll (for first 3000 dollars of each employees annual salary). | *Contributions:*<br>See Table 20A. |
| | *Benefits:*<br>Daily:<br>Manual workers 52.50-57.00 lire (0.23-0.25 dollars).<br>Office workers 51.00-62.00 lire (0.24-0.28 dollars).<br>Plus 8.50-9.20 lire (0.038-0.04 dollars) per day for each child under 16 or (for insured office workers) under 18.<br>Period of benefit not to exceed 180 days each year.<br>Seasonal workers not entitled to these benefits.<br>This insurance does not apply to agriculture | *Benefits:*<br>Approximately 50 % of wages.<br>Minimum 5 dollars weekly<br>Maximum 15 dollars weekly } in most States<br>Period of benefit not to exceed 14-16 weeks per year.<br>Regulations differ between States but in general unemployment insurance applies to establishments having more than 8 employees.<br>The insurance is mainly for industrial workers and covers a large proportion of the total working population. | *Benefits:*<br>26 shillings per week (5.20 dollars).<br>Plus 16 shillings (3.20 dollars) a week for wife or other adult dependent and 7 shillings 6 pence (1.50 dollars) a week for first child.<br>Lower rates will in general be paid to married women.<br>Period of benefit not defined but not limited. Scheme will be reviewed in 1951. |
| | *National benefit (3):*<br>(man with 3 children)<br>1.68 dollars (378 lire) per week. | *National benefit:*<br>9 dollars per week. | *National benefit:*<br>(man with 3 children)<br>9.00 dollars (49 shillings 6 pence) a week. |

on previous page.

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| TYPE OF INSURANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| Marriage and Birth | *Contributions:*<br>5.70 lire (0.03 dollars) per month.<br><br>*Benefits:*<br>On marriage 100-1,000 lire (1.78-1.44 dollars).<br>Births 150-100 lire per child (0.67-1.78 dollars).<br><br>*National benefit:*<br>(marriage and birth of child)<br>5.07 dollars (1,110 lire). | No National Insurance Scheme.<br><br>See Addendum, para. (d) | *Contributions:*<br>See Table 20A.<br><br>*Benefits:*<br>Maternity grant £4 (16 dollars<br>Maternity allowance (for 13<br>(7.20 dollars) a week.<br>Attendance allowance (for 1<br>(4 dollars).<br><br>*National benefit:*<br>Paid in instalments as abo<br>dollars. |
| Sickness | *Contributions:*<br>Manual workers 5 % of gross total wages.<br>Office " 3 % " " " "<br>Agricultural workers from 1.4 lire (0.086 dollars) to 6.40 lire (0.03 dollars) per day.<br><br>*Benefits:*<br>Free medical attention is given to all categories of insured workers and their families.<br>Financial assistance is as follows:<br>Manual workers 50 % of daily average total wages. 1,000 lire (1.44 dollars) bonus for medical expenses of childbirth. 2,000 lire (8.88 dollars) allowance for death.<br>Office workers, 2,500 lire (11.11 dollars) as maximum refund for hospital or sanatorium expenses plus 50 % of any excess expenses. 3,000 lire (13.33 dollars) for any surgical operation performed at the home of the worker.<br>Agricultural workers receive an allowance from 16 lire (0.07 dollars) to 60 lire (0.27 dollars) per day. | No National Insurance Scheme.<br><br>See Addendum, para. (b) | *Contributions:*<br>See Table 20A.<br><br>*Benefits:*<br>5.20 dollars (26 shillings) per<br>will in general be paid to<br>Wife or other adult depend<br>lings and 7 shillings and<br>child. |

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| ERANCE. | ITALY | U.S. | U.K. |
|---|---|---|---|
| l Birth | *Contributions:*<br>5.70 lire (0.03 dollars) per month.<br>*Benefits:*<br>On marriage 400-1,000 lire (1.78-4.44 dollars).<br>Births 150-400 lire per child (0.67-1.78 dollars).<br>*National benefit:*<br>(marriage and birth of child)<br>5.07 dollars (1,140 lire). | No National Insurance Scheme.<br>See Addendum, para. (d) | *Contributions:*<br>See Table 20A.<br>*Benefits:*<br>Maternity grant £4 (16 dollars).<br>Maternity allowance (for 13 weeks) 36 shillings (7.20 dollars) a week.<br>Attendance allowance (for 4 weeks) 20 shillings (4 dollars).<br>*National benefit:*<br>Paid in instalments as above (£31.8) 125.60 dollars. |
| ss | *Contributions:*<br>Manual workers 5 % of gross total wages<br>Office „ 3 % „ „ „ „<br>Agricultural workers from 1.4 lire (0.006 dollars) to 6.10 lire (0.03 dollars) per day.<br>*Benefits:*<br>Free medical attention is given to all categories of insured workers and their families.<br>Financial assistance is as follows:<br>Manual workers 50 % of daily average total wages. 1,000 lire (4.44 dollars) bonus for medical expenses of childbirth. 2,000 lire (8.88 dollars) allowance for death.<br>Office workers, 2,500 lire (11.11 dollars) as maximum refund for hospital or sanatorium expenses plus 50 % of any excess expenses. 3,000 lire (13.33 dollars) for any surgical operation performed at the home of the worker.<br>Agricultural workers receive an allowance from 16 lire (0.07 dollars) to 60 lire (0.27 dollars) per day. | No National Insurance Scheme.<br>See Addendum, para. (b) | *Contributions:*<br>See Table 20A.<br>*Benefits:*<br>5.20 dollars (26 shillings) per week. Lower rates will in general be paid to married women.<br>Wife or other adult dependent receive 16 shillings and 7 shillings and 6 pence for first child. |

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| TYPE OF INSURANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| Accidents | *Contributions:*<br>Industry: average contribution about 3.5 % of wages.<br>Agriculture: average contribution of 87.50 lire per year (0.39 dollars).<br><br>*Benefits:*<br>(a) *Industry.*<br>Temporary—2/3 of wage.<br>Permanent—2/3 of salary up to maximum salary of 12,000 lire (53.33 dollars) per year i.e. maximum of 8,000 lire (35.56 dollars) per year for 100 % disability.<br>Additional benefits (war allowances, etc.) may bring maximum up to 19,260 lire (85.60 dollars) per year for permanent injury.<br>Fatal accident 15,600 lire (69.33 dollars) per year to surviving dependant plus 450 lire (2.00 dollars) per annum for widow and 180 lire (0.80 dollars) for each child.<br>(b) *Agriculture.*<br>Temporary—10-30 lire daily (0.04-1.33 dollars).<br>Fatal accident or permanent total disability 19-62,000 lire grant (84.44-275.56 dollars).<br><br>*National benefit:*<br>(Permanent 100 % disability)<br>50 dollars (11,250 lire) per year. | No National Insurance Scheme.<br>See Addendum, para. (e). | (National Insurance Industrial<br>*Contributions:*<br>By all insured workmen and<br>4d per week by employer<br>3d " " " worker<br>3d " " " employer<br>2d " " " worker<br><br>*Benefits:*<br>Single man or woman 60 sh<br>Single man or woman with<br>shillings per week.<br>Married man 76 shillings per<br>Married man with child 83.5<br><br>*National benefit:*<br>(Permanent 100 % disabilit<br>621 dollars (£156) per year. |

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| E | ITALY | U.S. | U.K. |
|---|---|---|---|
| | *Contributions:*<br><br>Industry: average contribution about 3.5 % of wages.<br><br>Agriculture: average contribution of 87.50 lire per year (0.39 dollars). | No National Insurance Scheme.<br><br>See Addendum, para. (e). | (National Insurance Industrial Injuries Bill 1946).<br>*Contributions:*<br>By all insured workmen and their employers.<br>4d per week by employer } adult men<br>3d " " " worker }<br>3d " " " employer } adult women<br>2d " " " worker } |
| | *Benefits:*<br><br>(a) *Industry.*<br>Temporary—2/3 of wages.<br>Permanent—2/3 of salary up to maximum salary of 12,000 lire (53.33 dollars) per year i.e. maximum of 8,000 lire (35.56 dollars) per year for 100 % disability.<br>Additional benefits (war allowances, etc.) may bring maximum up to 19,260 lire (85.60 dollars) per year for permanent injury.<br>Fatal accident 15,600 lire (69.33 dollars) per year to surviving dependant plus 450 lire (2.00 dollars) per annum for widow and 180 lire (0.80 dollars) for each child.<br><br>(b) *Agriculture.*<br>Temporary—10-30 lire daily (0.04-1.33 dollars).<br>Fatal accident or permanent total disability 10-62,000 lire grant (81.14-275.56 dollars). | | *Benefits:*<br>Single man or woman 60 shillings per week.<br>Single man or woman with adult dependant 76 shillings per week.<br>Married man 76 shillings per week.<br>Married man with child 83.5 shillings per week. |
| | *National benefit:*<br>(Permanent 100 % disability)<br>50 dollars (11,250 lire) per year. | | *National benefit:*<br>(Permanent 100 % disability)<br>624 dollars (£156) per year. |

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| TYPE OF INSURANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| Family Allowances | *Contributions:*<br>Industrial workers—20 % of wages.<br>Agricultural workers—1.50 lire (0.007 dollars) each working day.<br>Agricultural office workers—20 % of wages.<br>Commerce 14.80 % of wages.<br>Banking and insurance workers 20.40 to 38.50 % of wages. | No National Insurance Scheme.<br><br>See Addendum, para. (e). | Family Allowances Bill, 1946.<br>*Contributions:*<br>Paid by Exchequer. |

*Benefits:*

| | Industry | Agriculture |
|---|---|---|
| *manual workers* | (lire per week) | (lire per day) |
| for each child | 78 ($0.35) | 1.00 ($0.004) |
| for a wife | 84 ($0.37) | 1.15 ($0.006) |
| for each parent | 69 ($0.31) | 0.80 ($0.0035) |

| | Commercial & Professional | Banking & Insurance |
|---|---|---|
| *manual workers* | (lire per month) | (lire per month) |
| for each child | 311 ($1.38) | 329-351 ($1.46-1.56) |
| for a wife | 328 ($1.44) | 335 ($1.50) |
| for each parent | 275 ($1.22) | 303 ($1.35) |
| *office workers* | (lire per month) | (lire per month) |
| for each child | 390 ($1.73) | 390 ($1.73) |
| for a wife | 416 ($1.85) | 416 ($1.85) |
| for each parent | 338 ($1.50) | 338 ($1.50) |
| *office workers* | (lire per month) | (lire per month) |
| for each child | 359 ($1.60) | 383-524 ($1.70-2.33) |
| for a wife | 371 ($1.65) | 407-537 ($1.81-2.39) |
| for each parent | 299 ($1.33) | 342-407 ($1.52-1.81) |

*Notional benefit:*

(office worker with wife and 3 children)

7.65 dollars (1,586 lire).

*Benefits:*

5 shillings a week for every child except the first.

(Additional family allowances for dependents to persons receiving sickness or old age (retirement

*Notional benefit:*

(man with wife and 3 children)

8 dollars (£2.0.0) per month.

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TABLE A (Contd.)

| ANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| | *Contributions:*<br>Industrial workers—20 % of wages.<br>Agricultural workers—1.50 lire (0.007 dollars) each working day.<br>Agricultural office workers—20 % of wages.<br>Commerce 14.80 % of wages.<br>Banking and insurance workers 20.40 to 38.50 % of wages. | No National Insurance Scheme.<br><br>See Addendum, para. (e). | Family Allowances Bill, 1946.<br>*Contributions:*<br>Paid by Exchequer. |
| | *Benefits:*<br>Industry (lire per week) / Agriculture (lire per day)<br>*manual workers*<br>for each child 78 ($0.35) / 1.00 ($0.004)<br>for a wife 81 ($0.37) / 1.45 ($0.006)<br>for each parent 69 ($0.31) / 0.80 ($0.0035)<br><br>Commercial & Professional / Banking & Insurance<br>*manual workers* (lire per month) / (lire per month)<br>for each child 341 ($1.38) / 329-351 ($1.46-1.56)<br>for a wife 321 ($1.44) / 335 ($1.50)<br>for each parent 275 ($1.22) / 303 ($1.35)<br><br>*office workers* (lire per month) / (lire per month)<br>for each child 390 ($1.73) / 390 ($1.73)<br>for a wife 116 ($1.85) / 116 ($1.85)<br>for each parent 338 ($1.50) / 338 ($1.50)<br><br>*office workers* (lire per month) / (lire per month)<br>for each child 359 ($1.60) / 383-521 ($1.70-2.33)<br>for a wife 371 ($1.65) / 107-537 ($1.81-2.39)<br>for each parent 299 ($1.33) / 312-107 ($1.52-1.81) | | *Benefits:*<br>5 shillings a week for every child under 16 except the first.<br>(Additional family allowances are given for dependents to persons receiving unemployment sickness or old age (retirement) benefits). |
| | *National benefit:*<br>(office worker with wife and 3 children)<br>7.05 dollars (1,586 lire). | | *National benefit:*<br>(man with wife and 3 children)<br>8 dollars (£2.0.0) per month. |

## Contributions Payable under British National Insurance Scheme

TABLE 20 A

One contribution is paid which covers all forms of insurance (except accident). The main contribution rates in Great Britain are as follows:

| | Employed Person | | Employer of Employed Person | | Self-employed Person | | Non-employed Person | |
|---|---|---|---|---|---|---|---|---|
| | s. | d. | s. | d. | s. | d. | s. | d. |
| Men over 18 | 4 | 7 ($0.92) | 3 | 10 ($0.77) | 5 | 9 ($1.15) | 4 | 8 ($0.93) |
| Women over 18 | 3 | 7 ($0.72) | 3 | 0 ($0.60) | 4 | 10 ($0.97) | 3 | 8 ($0.73) |
| Boys under 18 | 2 | 8 ($0.53) | 2 | 3 ($0.45) | 3 | 4 ($0.67) | 2 | 9 ($0.55) |
| Girls under 18 | 2 | 2 ($0.43) | 1 | 9 ($0.35) | 2 | 11 ($0.58) | 2 | 3 ($0.45) |

## *NOTE ON INSURANCE NOT MENTIONED IN TABLE 20*

ITALY — Apart from the National insurances listed in Table 20, Italy has the following insurances in addition (see text preceding Table 20: tuberculosis paras. 122–130; part time workers paras. 170–174; military re-inductees paras. 175–) which cannot directly be compared with any similar insurances in the U. S. or the U. K. In the case of Tuberculosis, of course, this would be covered in the U. K. under "sickness."

*TUBERCULOSIS.*

*Contributions:*

Industry
- manual workers 48.86 lire per week (0.22 dollars)
- office workers 194.70 lire per month (0.87 dollars).

Agriculture
- daily paid workers 3.017 lire per day (0.013 dollars)
- permanent .. (men) 1.81 lire per day (0.008 dollars) (300 days per year)
- .. .. (women, children) 1.508 lire per day (0.0067 dollars) (300 days per year)
- husbandmen and métayers 0.9227 lire per day (0.0041 dollars) (240 days per year).

*Benefits:*

Workers and family dependents treated for duration of the disease in a sanatorium alternatively dispensary treatment and an allowance:
- manual workers 54-58 lire per day ($0.24-0.26)
- office .. 56-62 .. .. .. ($0.25-0.28)

} +8 lire per day (0.036 dollars) for each dependent child.

Cash benefits are for 2 years.

*FUND FOR WORKERS WORKING PART TIME.*

*Contributions:*

(a) Employer pays 3.5 % of total gross wages paid to workers.
(b) Government contributes amount equal to (a).

*Benefits:*

Two-thirds pay for time lost between 0 and 40 hrs. per week for Northern Italy, and 24 to 40 hrs. per week for Central and Southern Italy. Workers receiving this also receive full family allowances.

*FUND FOR MILITARY RE-INDUCTEES.*

CLERICAL WORKERS

*Contributions:*

2.5 % of gross salary (max. gross salary 6,250 lire per month) (27.78 dollars).

*Benefits:*

Compensation paid to those called up equal to wages for first two months. Thereafter the difference of army to civilian pay is

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| | Person | | Person | | Person | | Person | |
|---|---|---|---|---|---|---|---|---|
| | s. | d. | s. | d. | s. | d. | s. | d. |
| Men over 18 . . . | 4 | 7 ($ 0.92) | 3 | 10 ($ 0.77) | 5 | 9 ($ 1.15) | 4 | 8 ($ 0.93) |
| Women over 18 . . | 3 | 7 ($ 0.72) | 3 | 0 ($ 0.60) | 4 | 10 ($ 0.97) | 3 | 8 ($ 0.73) |
| Boys under 18 . . . | 2 | 8 ($ 0.53) | 2 | 3 ($ 0.45) | 3 | 4 ($ 0.67) | 2 | 9 ($ 0.55) |
| Girls under 18 . . . | 2 | 2 ($ 0.43) | 1 | 9 ($ 0.35) | 2 | 11 ($ 0.58) | 2 | 3 ($ 0.45) |

## *NOTE ON INSURANCE NOT MENTIONED IN TABLE 20*

ITALY — Apart from the National insurances listed in Table 20, Italy has the following insurances in addition (see text preceding Table 20; tuberculosis paras. 122–130; part time workers paras. 170–174; military re-inductees paras. 175–) which cannot directly be compared with any similar insurances in the U. S. or the U. K. In the case of Tuberculosis, of course, this would be covered in the U. K. under "sickness."

*TUBERCULOSIS.*

*Contributions:*

Industry { manual workers 48.06 lire per week (0.22 dollars)
office workers 194.70 lire per month (0.87 dollars).

Agriculture { daily paid workers 2.017 lire per day (0.013 dollars)
permanent .. (men) 1.81 lire per day (0.008 dollars) (300 days per year)
.. .. (women, children) 1.508 lire per day (0.0067 dollars) (300 days per year)
husbandmen and métayers 0.9227 lire per day (0.0041 dollars) (240 days per year).

*Benefits:*

Workers and family dependents treated for duration of the disease in a sanatorium alternatively dispensary treatment and an allowance:
manual workers 54–58 lire per day ($0.24-0.26)
office .. 56-62 .. .. .. ($0.25-0.28)
} +8 lire per day (0.036 dollars) for each dependent child.
Cash benefits are for 2 years.

*FUND FOR WORKERS WORKING PART TIME.*

*Contributions:*

(a) Employer pays 8.5 % of total gross wages paid to workers.
(b) Government contributes amount equal to (a).

*Benefits:*

Two-thirds pay for time lost between 0 and 40 hrs. per week for Northern Italy, and 24 to 40 hrs. per week for Central and Southern Italy. Workers receiving this also receive full family allowances.

*FUND FOR MILITARY RE-INDUCTEES.*

CLERICAL WORKERS

*Contributions:*

2.5 % of gross salary (max. gross salary 6,250 lire per month) (27.78 dollars).

*Benefits:*

Compensation paid to those called up equal to wages for first two months. Thereafter the difference of army to civilian pay is made up.

MANUAL WORKERS

*Contributions:*

0.5 % of gross wages (max. gross wages 6,250 lire per month) (27.78 dollars).

*Benefits:*

14 days pay on mobilization. Xmas bonus equal to 200 hrs. of wages.
For clerical workers the insurance covers all trades.
For manual workers it covers industry only.

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*NATIONAL MATERNITY ETC. ASSISTANCE.*

Apart from State insurance schemes which provide, in Italy, for grants to be paid on marriage and the birth of children, there is in addition certain State assistance of a charitable nature.

This assistance is provided by the Opera Nazionale Maternità ed Infanzia (ONMI - National Organisation for the Protection of Motherhood and Infancy). The organisation aids expectant mothers and co-ordinates child relief activities. Assistance is mainly through the provision of clinics, kindergartens and mess halls.

The extent of charitable aid given may be seen from the fact that for the 1946 financial year the State was requested to contribute L.200 million lire towards the organisation's funds which are further augmented by private contributions.

***ADDENDUM ON ASSISTANCE GIVEN IN THE UNITED STATES, NOT COVERED BY NATIONAL INSURANCE.***

(a) As may be seen from the comparisons in Table 29, the benefits derived from Italian insurance schemes are considerably smaller than similar benefits in the U.S. and the U.K. In some cases the relief is most inadequate. The British system covers all types of insurance and all members of the population. The Italian system covers a wider field than does the U.S. national insurance, but it should be borne in mind that private insurance schemes are widely in use in the U.S. and that many firms there take care of their own workers insurance.

(b) In the United States, hospitalization insurance is not compulsory, and is not covered by the Government. It is however customary for a large part of the population, except in rural areas, to be insured against sickness.
Hospitals normally insure companies rather than individuals and in the U.S. individual contributions vary by hospital but are usually about 6 dollars per year.
Benefits consist of a room in a hospital and surgical facilities. The patient has to pay his own doctor's bills.
Firms usually allow a certain amount of paid sick leave per year.

(c) Similarly there is no national insurance against accidents in the United States but, under State Legislation, workmen's compensations paid by firms cover about 40 % of total workers.

(d) In the United States there is no national insurance for maternity but the Social Security Act authorises an annual appropriation to be used for the promotion of the health of mothers and children especially in rural areas and in areas suffering from economic distress.

(e) It may be noted too that apart from social insurance, social security in the U.S. includes Public Assistance to the needy (Old Age Assistance, aid to the Needy Blind and Aid to Dependent Children) and Health and Welfare services (child welfare services, services for crippled children, Maternal and Child-Health Services and Public Health Services).

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*NOTE REGARDING CONTINUATION OF ABOVE ARTICLE*

*Section 2 of the Economic Supplements on Labor, Prices and the Cost of Living in Italy, will deal with Prices, Cost of Living and Wages.*

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September 27, 1946 Vol. I, No. 37

# ECONOMIC NOTES

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

CONTENTS

1. Grain Amassing Prospects
2. Italy to Produce Margarine
3. Supply Conference in Washington
4. Half-a-Million Tons of Coal
5. Movements of Ships

## GRAIN AMASSING PROSPECTS

The latest estimates of this year's rice crop, harvesting of which began on 16 September, put the total at 550,626 metric tons. This is the figure for rough rice. In terms of cleaned, white rice, net production will amount to about 374,000 tons.

The rice crop in Italy this year is better than that of last year by more than 170,000 tons (calculated in terms of rough rice) or approximately 45 per cent. The improvement is largely due to increased acreage. This year's acreage is about 29 per cent. greater than last year's, but is still 25.6 per cent. below the average for 1936-38.

### Substantial Improvement Expected

The official amassing goal for this year's crop has not yet been fixed, but in previous years amassing has reached a very high proportion of the total crop. In 1942, and again in 1943, 95 per cent. of the crop was amassed. This figure fell to 80 per cent. in 1944, and in the exceptional circumstances of last year, was no more than 63 per cent. The price for rough rice has yet to be fixed, and it is anticipated that with better prices and stricter control, a substantial improvement in the amassing figure will be achieved this year.

The proposal is still under consideration by the Italian Government and no decision, it is understood, has yet been made.

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### 2,000,000 Tons of Corn

The corn (maize) harvest is now beginning. This year's production estimate was, on 30 June, 2,307,603 metric tons—which is nearly 1,000,000 tons better than a year ago, but still about 800,000 tons below the 1936-1938 average. Actual production is likely to be below the estimate, owing to drought in Central Italy and storm damage in the North. Official figures are not yet available.

No amassing goal for corn has yet been fixed. In view of the retentions legally permitted for hog feeding, and owing to the increase in hog numbers, relatively only a small proportion is available for amassing. In 1942, when amassing was exceptionally effective, only 23 per cent of the 2,400,000 ton crop was amassed. Amassing (with a bad crop) fell to less than 15 per cent. in 1943, rose under the influence of a better crop in 1944, and last year, when the total crop was only 1,400,000 tons (less than half the pre-war average), fell to 5.8 per cent.

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In view of the grave shortage of rice in the Far East, the UNRRA Italy Mission has proposed to the Italian Government that Italy should export rice in exchange for wheat, receiving two tons of wheat for every ton of rice exported. This exchange would be undertaken by UNRRA as an Inter-Mission deal. The proposal is still under consideration by the Italian Government and no decision, it is understood, has yet been made.

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### Barley Better than Pre-War

This year's barley crop, estimated at 233,389 metric tons, is a little better than the 1937-1938 average, and is very nearly double what it was a year ago. With production estimated at 110,878 metric tons, this

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year's rye crop is very nearly back to the pre-war average. The estimated amassing goal in 1946 for barley and rye is 125,000 tons. Up to the present, however, no more than about 37,500 tons have been delivered.

After approximately three months of wheat amassing, the results are very satisfactory, particularly in Central Italy and parts of Northern Italy. Up to 29 September, the amassing total for the whole country, including Sicily and Sardinia, was 2,048,246 tons. The Government's estimates of this year's production have been revised upwards to 6,089,340 metric tons, and the amassing goal has been raised to 2,577,652 tons. Present deliveries represent 79.5 per cent. of this amassing goal.

## ITALY TO PRODUCE MARGARINE

Manufacture is just beginning of margarine from UNRRA-imported copra, and the first supplies are expected to be available during October for distribution in the normal fat ration. This margarine is the first to be made in Italy since production was stopped by Mussolini some years ago. Samples have been examined, and tests have proved very satisfactory. The retail price of the margarine is to be discussed at the next meeting of the Joint Price Committee. The new margarine is likely to sell at a figure somewhat lower than that fixed for UNRRA-imported lard and other animal fats included in the ration.

For the manufacture of this margarine, UNRRA has imported 12,000 tons of copra from the Philippines. UNRRA imports represent about 68 per cent. of the total content of the margarine; the remainder will consist of oils procured by the Italian Government on its own account.

### 7,000 Tons Will Be Manufactured

Margarine manufacture is carried out in four stages—pressing, refining, hydrogenation and emulsification. The processing of the 12,000 tons of UNRRA copra will produce some 7,000 tons of margarine and will give

High Commissioner for Food, and UNRRA. Control of the copra during manufacture, and of the finished products has also been vested in SNAG. Final allocation to the provinces and distribution to consumers of the fats produced will follow the same procedure as for other rationed fats.

### Oil-Cake and Soap

In addition to an output of 7,000 tons of margarine, processing of this copra will provide a number of valuable by-products. Chief of these will be 4,000 tons of oil-cake for cattle and 700 tons of oleine, for the manufacture of soap. This oleine will be used to make pharmaceutical soap and baby soap. Distribution of the oil-cake will be under the control of the Ministry of Agriculture. The soap will be distributed by the Ministry of Industry and Commerce, in consultation with the High Commissariat for Public Health and Hygiene.

## SUPPLY CONFERENCE IN WASHINGTON

At the Conference summoned in Washington for 15 October by the Director General of UNRRA, Mr. Fiorelio LaGuardia, a final review is to be made of the supply budgets of receiving countries, and final arrangements are to be discussed for the transfer from UNRRA to the respective receiving countries of responsibility for obtaining basic commodities.

Italy will be represented by the Deputy Chief of Mission for Requirements and Distribution, Mr. Harlan Cleveland, who will be accompanied by Mr. B. Luzzatto, Chief of the Sub-Bureau of Industrial Rehabilitation. The Italian Government has been asked to designate a representative to the Conference, which is expected to last about three or four weeks. Concurrently with the UNRRA Conference, discussions will be in progress in Washington on the future financing of Italian imports, after the UNRRA program is completed.

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Margarine manufacture is carried out in four stages—pressing, refining, hydrogenation and emulsification. The processing of the 12,600 tons of UNRRA copra will produce some 7,000 tons of margarine and will give employment for about four months to a number of works in the North, chiefly at Genoa and Brescia.

Copra will be allocated to the processing firms through SNAG (Società Nazionale Approvvigionamenti Grassi - National Association for Oils and Fats) in agreement with the and distribution to consumers of the fats produced will follow the same procedure as for other rationed fats.

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### UNRRA Shipments in September

Up to 10 September UNRRA shipments to Italy, either actually landed or on the high seas, totalled nearly 6,200,000 tons. Of the cargoes then at sea nearly all were expected

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to arrive before the end of the month. UNRRA's complete program for Italy totals 10,000,000 tons; and, following decisions reached at the Fifth UNRRA Council in Geneva last month, all of this total will be shipped to Italy, even though some of the shipments may be delayed well into 1947. There is *no* date-line for the termination of UNRRA supplies. UNRRA's program will end when the funds allocated to Italy have been exhausted.

## HALF-A-MILLION TONS OF COAL

The end of the maritime strike in the United States East Coast ports has released a concentration of coal shipping for Italy, which may be as large as 500,000 tons, and which will seriously tax coal-handling facilities at Italian ports, states the UNRRA Italy Mission.

"Extraordinary efforts on the part of everyone concerned with receiving and despatching coal at Italian ports will be necessary, if we are to avoid a severe and costly tie-up of ships," said Mr. S. M. Keeny, Chief of the Mission.

"UNRRA is importing this coal for essential industry and transport, to provide jobs —and goods—for the Italian people. The coal must not be allowed to jam up port facilities. Ships must unload quickly and the coal must not be allowed to lie for any length of time in great stock-piles at the ports—with consequent loss, and danger from spontaneous combustion."

### Heavy Cost of Delay

Mr. Keeny also pointed out that delays in unloading entailed demurrage costs of about 1,700 dollars (£425 sterling) a day—which could be better used to buy relief and rehabilitation supplies.

To meet the emergency, the UNRRA Italy Mission is calling the attention of the relevant

(2) Port customs and regulations, in ports where coal is handled mechanically, should be temporarily waived; and coal should be loaded and unloaded by hand, to avoid delay.

(3) The railways should allocate all available wagons to the ports and concentrate the necessary locomotives in the port areas—particularly Venice and Genoa, where the congestion will be most serious.

(4) Industries within a specified radius (yet to be determined) of each port should pick up their coal allocations by any means *other than rail*—by truck, by coastal vessels, by schooners or by canal barges.

### Not Enough Wagons

"I am fully aware," Mr. Keeny observed, "that some of these alternative forms of inland, or coastal, transport are more costly than rail; but there are—in simple fact—not enough railway wagons available in Italy to handle all the coal traffic in the next few weeks. This situation will probably continue for the duration of the UNRRA coal import program. Bluntly speaking, it is better to have coal, even at higher freight costs, than not to have any coal at all.

"If subsidiary means of transport are not used to move the coal from the ports, there is a danger that we may have to slow down the rate of our coal imports—with consequent unfortunate effects upon industry."

In preparation for the increased shipments that will start arriving within the next two or three weeks, the Italian Government and UNRRA have already jointly taken measures to clear existing back-piles of coal at the ports and to organize alternative transport facilities by truck, barge and coastal craft.

## "ECONOMIC SURVEY" SUPPLEMENT

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Mr. Keeny also pointed out that delays in unloading entailed demurrage costs of about 1,700 dollars (£425 sterling) a day—which could be better used to buy relief and rehabilitation supplies.

To meet the emergency, the UNRRA Italy Mission is calling the attention of the relevant Italian authorities to the need of a comprehensive program of action to ensure the maximum utilization of all transport and labour availabilities; and has recommended that:—

(1) Port Authorities and dock-workers should work overtime and on holidays, when necessary.

(2) To avoid delay,

(3) The railways should allocate all available wagons to the ports and concentrate the necessary locomotives in the port areas—particularly Venice and Genoa, where the congestion will be most serious.

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## "ECONOMIC SURVEY„ SUPPLEMENT

*The Supplement published with this week's issue of* Economic Notes *is the first of two on Labour, Prices and the Cost of Living. This week's section deals with Labour and Social Insurance. The supplement next week (Issue No. 38, 3 October) will be on Prices and the Cost of Living.*

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# MOVEMENTS OF SHIPS

## CARGOES OTHER THAN COAL

(SEPTEMBER 17 - 22 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | ACCOUNT | CARGO | TONS |
|---|---|---|---|---|---|
| Exhibitor | Genoa | 17 Sept. | UNRRA | General | 38 |
| George Dewey | Naples | » » | » | » | 4,276 |
| Sfinge | Venice | » » | It. Program | Phosphates | 7,100 |
| Fortunata | Genoa | 18 » | » » | » | 4,825 |
| Bowdoin Victory | » | 19 » | UNRRA | General | 1,102 |
| Paul David Jones | Castellammare | 20 » | » | Cereals | 8,484 |
| Kedoe | Genoa | 21 » | » | Minerals | 1,500 |
| Cape Romano | Venice | 22 » | Commercial | General | 1,200 |

## LATEST COAL SHIPMENTS

(SEPTEMBER 16 - 22 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | COUNTRY OF ORIGIN | ACCOUNT | TONS |
|---|---|---|---|---|---|
| Nathaniel Silsbee | Savona | 16 September | United States | UNRRA | 8,885 |
| Hopecrest | Venice | » » | South Africa | Brit. Army | 9,104 |
| Maristella | Savona | 17 » | Germany | UNRRA | 4,400 |
| Laurence J. Gallagher | » | » » | United States | Swiss | 9,330 |
| Johan Printz | Genoa | » » | » | UNRRA | 8,680 |
| | Piombino | 21 » | | | |
| Hawkins Fudske | Genoa | 17 » | » | » | 8,481 |
| | Leghorn | 21 » | | | |
| Armathia | Genoa | 17 » | Germany | » | 7,017 |
| Empire Tern | Civitavecchia | » » | » | » | 3,187 |
| Rudolph Kauffmann | » | » » | United States | » | 9,066 |
| Robert Watchorn | Palermo | » » | » | » | 9,050 |
| Lorado Taft (1) | Piombino | » » | » | » | 4,490 |
| Zuijderburgh | Naples | 18 » | Germany | » | 2,000 |
| Alexander W. Doniphan | La Spezia | » » | United States | » | 8,573 |
| Samuel Nelson | Catania | » » | » | » | 9,000 |
| Llandaff | Bari | 19 » | South Africa | » | 8,414 |
| Francis Drake | Savona | 20 » | United States | » | 9,331 |
| Joseph Leidy | Venice | » » | » | » | 8,042 |
| Suerte | Savona | 21 » | United Kingdom | » | 5,006 |
| Henry B. Brown | » | » » | United States | » | 8,538 |
| San Anthony | » | » » | Germany | » | 7,560 |

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| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | ACCOUNT | | TONS |
|---|---|---|---|---|---|
| Exhibitor | Genoa | 17 Sept. | UNRRA | General | 38 |
| George Dewey | Naples | » » | » | » | 4,276 |
| Sfinge | Venice | » » | It. Program | Phosphates | 7,100 |
| Fortunata | Genoa | 18 » | » » | » | 4,825 |
| Bowdoin Victory | » | 19 » | UNRRA | General | 1,102 |
| Paul David Jones | Castellammare | 20 » | » | Cereals | 8,484 |
| Kedoe | Genoa | 21 » | » | Minerals | 1,500 |
| Cape Romano | Venice | 22 » | Commercial | General | 1,200 |

## LATEST COAL SHIPMENTS

(SEPTEMBER 16 - 22 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | COUNTRY OF ORIGIN | ACCOUNT | TONS |
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| Laurence J. Gallagher | » | » » | United States | Swiss | 9,230 |
| Johan Printz | Genoa | » » | » | UNRRA | 8,680 |
| | Piombino | 21 » | | | |
| Hawkins Fudske | Genoa | 17 » | » | » | 8,481 |
| | Leghorn | 21 » | | | |
| Armathia | Genoa | 17 » | Germany | » | 7,017 |
| Empire Tern | Civitavecchia | » » | » | » | 3,187 |
| Rudolph Kauffmann | » | » » | United States | » | 9,066 |
| Robert Watchorn | Palermo | » » | » | » | 9,050 |
| Lorado Taft (1) | Piombino | » » | » | » | 4,490 |
| Zuijderburgh | Naples | 18 » | Germany | » | 2,000 |
| Alexander W. Doniphan | La Spezia | » » | United States | » | 8,573 |
| Samuel Nelson | Catania | » » | » | » | 9,000 |
| Llandaff | Bari | 19 » | South Africa | » | 3,414 |
| Francis Drake | Savona | 20 » | United States | » | 9,331 |
| Joseph Leidy | Venice | » » | » | » | 8,042 |
| Suerte | Savona | 21 » | United Kingdom | » | 5,006 |
| Henry B. Brown | » | » » | United States | » | 8,538 |
| San Anthony | » | » » | Germany | » | 7,560 |
| Kelbergen | Genoa | » » | » | » | 7,388 |
| John Sharp Williams | » | » » | United States | » | 8,653 |
| Seaman A. Knapp | Bagnoli | » » | » | » | 8,556 |
| Thomas W. Murray | Savona | 22 » | » | » | 8,465 |
| Stad Haarlem | Bagnoli | » » | Germany | » | 7,571 |
| Lou Gehrig | Civitavecchia | » » | United States | » | 8,786 |

NOTE: (1) Also discharged at Civitavecchia

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# LABOR, PRICES AND THE COST OF LIVING (Section I)

## PART ONE - EMPLOYMENT AND LABOR PROBLEMS

### *EMPLOYMENT*

### *Full Employment Problem.*

1. The labor problem, and in particular, the important problem of full employment, is of great concern to Italy, having regard to the over-population of the country and the yearly population surplus (400,000 persons per year in pre-war). The agriculture and industry of Italy are not able, even in peak years of production, to absorb this population surplus.

2. The Italian population (of ten years of age and over) has undergone, from 1881 to 1936, the following changes, by occupational groups and by sex:

TABLE 1

Italian Population (in millions) by Occupational Groups: 1881 and 1936

| Occupation | Total Population | | | | Males | | | | Females | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1881 | 1936 | Surplus over 1881 | 1936 Indices (1881 =100) | 1881 | 1936 | Surplus over 1881 | 1936 Indices (1881 =100) | 1881 | 1936 | Surplus (+) or deficit (—) | 1936 Indices (1881 =100) |
| Agriculture . . . . | 8.8 | 8.8 | — | 100.0 | 5.6 | 6.4 | 0.8 | 114.3 | 3.2 | 2.4 | 0.8 | 75.0 |
| Industry and transportation | 4.6 | 6.2 | 1.6 | 134.8 | 2.6 | 4.7 | 2.1 | 180.8 | 2.0 | 1.5 | —0.5 | 75.0 |
| Commerce and banking . | 0.7 | 1.6 | 0.9 | 228.6 | 0.6 | 1.2 | 0.6 | 200.0 | 0.1 | 0.4 | +0 3 | 400.0 |
| Others . . . . . | 1.4 | 1.7 | 0.3 | 121.4 | 0.8 | 0.9 | 0.1 | 112.5 | 0.6 | 0.8 | +0.2 | 133.3 |
| Active population . . | 15.5 | 18.3 | 2.8 | 118.1 | 9.6 | 13.2 | 3.6 | 137.5 | 5.9 | 5.1 | —0.8 | 86.4 |
| Non-productive population . | 7.6 | 15.4 | 7.8 | 202.6 | 1,9 | 3.0 | 1.1 | 157.9 | 5.7 | 12.4 | +6.7 | 217.5 |
| Total | 23.1 | 33.7 | 10.6 | 145.9 | 11.5 | 16.3 | 4.7 | 140.9 | 11.6 | 17.5 | +5.9 | 150.9 |

Source: Italian Official Census.

3. The most serious factor arising out of the above figures is that in 55 years—i.e., in a period of high economic development in Italy and of large emigration from Italy—7.8 million persons (or 74 %), out of a total increase of 10.6 million in the population of 10 years of age or over, have accrued to the inactive population. Economic activities have therefore absorbed little more than one quarter of the population of working age. The population figures by sex show that this is largely due to a decrease in the proportion of working female population, even in industry. This has been contrary to the trend in other industrial countries (e.g. in Great

4. The Italian agricultural population has remained unchanged in 55 years, while industry has absorbed 1.6 million persons, or an average of 30.000 persons per year.

5. During the 20 years of the fascist regime, part of the male population surplus was occupied in the armed forces, in the police and in the various fascist militias.

6. It is therefore evident that a full employment policy in Italy is possible only if the population surplus is

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## *EMPLOYMENT*

### *Full Employment Problem.*

1. The labor problem, and in particular, the important problem of full employment, is of great concern to Italy, having regard to the over-population of the country and the yearly population surplus (400,000 persons per year in pre-war). The agriculture and industry of Italy are not able, even in peak years of production, to absorb this population surplus.

2. The Italian population (of ten years of age and over) has undergone, from 1881 to 1936, the following changes, by occupational groups and by sex:

TABLE 1

Italian Population (in millions) by Occupational Groups: 1881 and 1936

| Occupation | Total Population | | | | Males | | | | Females | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1881 | 1936 | Surplus over 1881 | 1936 Indices (1881 =100) | 1881 | 1936 | Surplus over 1881 | 1936 Indices (1881 =100) | 1881 | 1936 | Surplus (+) or deficit (—) | 1936 Indices (1881 =100) |
| Agriculture . . . . | 8.8 | 8.8 | — | 100.0 | 5.6 | 6.4 | 0.8 | 114.3 | 3.2 | 2.4 | —0.8 | 75.0 |
| Industry and transportation | 4.6 | 6.2 | 1.6 | 134.8 | 2.6 | 4.7 | 2.1 | 180.8 | 2.0 | 1.5 | —0.5 | 75.0 |
| Commerce and banking . | 0.7 | 1.6 | 0.9 | 228.6 | 0.6 | 1.2 | 0.6 | 200.0 | 0.1 | 0.4 | +0.3 | 400.0 |
| Others . . . . . | 1.4 | 1.7 | 0.3 | 121.4 | 0.8 | 0.9 | 0.1 | 112.5 | 0.6 | 0.8 | +0.2 | 133.3 |
| Active population . . | 15.5 | 18.3 | 2.8 | 118.1 | 9.6 | 13.2 | 3.6 | 137.5 | 5.9 | 5.1 | —0.8 | 86.4 |
| Non-productive population . | 7.6 | 15.4 | 7.8 | 202.6 | 1.9 | 3.0 | 1.1 | 157.9 | 5.7 | 12.4 | +6.7 | 217.5 |
| Total | 23.1 | 33.7 | 10.6 | 145.9 | 11.5 | 16.3 | 4.7 | 140.9 | 11.6 | 17.5 | +5.9 | 150.9 |

Source: Italian Official Census.

3. The most serious factor arising out of the above figures is that in 55 years—i.e., in a period of high economic development in Italy and of large emigration from Italy—7.8 million persons (or 74 %), out of a total increase of 10.6 million in the population of 10 years of age or over, have accrued to the inactive population. Economic activities have therefore absorbed little more than one quarter of the population of working age. The population figures by sex show that this is largely due to a decrease in the proportion of working female population, even in industry. This has been contrary to the trend in other industrial countries (e.g. in Great Britain, the 3.9 million women working in industry in 1881 increased to 6.3 million in 1931).

4. The Italian agricultural population has remained unchanged in 55 years, while industry has absorbed 1.6 million persons, or an average of 30,000 persons per year.

5. During the 20 years of the fascist regime, part of the male population surplus was occupied in the armed forces, in the police and in the various fascist militias.

6. It is therefore evident that a full employment policy in Italy is possible only if the population surplus is absorbed by emigration and the process of industrialization of Italy rapidly stimulated.

(1) *See Supplement to Vol. 1 No. 27 for Introduction to Survey of Italy's Economy and for Survey of Finance; No. 28 for Survey of Agriculture and Food in Italy; Nos. 30 and 31 for Survey of Italian Industry; No. 32 for Survey of Transportation and Communications; and No. 34 for Survey of Health and Welfare in Italy.*

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7. The position, bad as it was in normal times, has now deteriorated owing to: (a) the severe fall of the standard of living of the population in general, and of the middle classes in particular; (b) the fact that hundreds of persons, who were either in the armed forces or worked in war or autarchic industries, are now added to the population seeking employment. This situation hangs over a large part of the problems of labor and of full employment.

*Employment Statistics.*

8. Workers, clerical and manual (i.e. the population working as employees) (1) were as follows (1936 census):

| | |
|---|---|
| Agriculture and fishing . . . . | 2,455,072 |
| Industry . . . . . | 4,208,041 |
| Commerce . . . . . | 489,100 |
| Transport and communications . . | 528,774 |
| Banking and insurance . . . . . | 99,511 |
| Others . . . . . | 1,707,014 |
| TOTAL . . . | 9,487,512 |

The present unemployed are estimated at 2.5 million (see para. 26). Employment has probably fallen by about one-fifth as compared with pre-war.

9. Employment statistics are collected monthly by the Ministry of Labor and Social Security through its Regional and Provincial Labor Offices which supervise employment offices. Provincial Labour Offices avail themselves of their sub-offices, established in the largest towns, and of the local authorities in the smaller towns, where Labor Sub-Offices do not exist. These statistics are however inadequate. In 1946 the index of employment in industry provided by the Ministry of Labor (100=1 Jan.) is:

| | |
|---|---|
| February . . . . . | 108.4 |
| March . . . . . | 107.3 |
| April . . . . . | 109.9 |
| May . . . . . | 112.5 |

*Some Aspects of Labor Conditions.*

10. The large manpower surplus in Italy, which tends to depress wages, goes hand in hand with the present period of low real wages (which have fallen to 50 or 60 % of pre-war), while trade unions work to restore them gradually to the pre-war level. This situation, in a period of economic and social crisis such as the

11. Many factors have reduced the morale of the working population and affected their productivity. These factors are: under-feeding and suffering (morally and materially) during the fighting in Italy and in the post-war period: the time spent by large numbers of men in war-prisoners' camps; the slow progress in economic reconstruction and rehabilitation work (due to both internal and external causes); the military occupation; the persisting low wages.

12. The war and the slow industrial rehabilitation have postponed the training of new skilled manual and higher clerical workers. There is at present therefore a surplus of unskilled workers, and a shortage of skilled and expert workers. Thus it is imperative that occupational training and the rapid formation of skilled workers are taken in hand. This is necessary for economic recovery and for the greater industrialization of the country.

*Activities of the Trade Unions.*

13. The main effort both of the Government and of the Trade Unions is concentrated on securing recovery both of industrial activity and of public works, to achieve a decent standard of living and greater employment.

14. The main problems relating to labor organization and to labor in general which have engaged the attention of the Trade Unions are:

(a) restoration of Trade Unions to a democratic basis throughout Italy and the setting up of factory committees;
(b) coordination of the provisions of collective labor agreements and of wage scales: to replace the confusion that has harmed both employers and labor during the post-war period;
(c) bringing wages in Southern Italy more in line with wages prevailing in Northern Italy;
(d) conclusion of collective labor agreements by branches of industry on a national or inter-regional basis;
(e) adjustment of wages to cost of living (and in particular the introduction of a wage sliding scale).

*The Government Program.*

15. The Prime Minister has stated that for production there should be a national plan that can reduce un-

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forces or worked in war or autarchic industries, are now added to the population seeking employment. This situation hangs over a large part of the problems of labor and of full employment.

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*Some Aspects of Labor Conditions.*

10. The large manpower surplus in Italy, which tends to depress wages, goes hand in hand with the present period of low real wages (which have fallen to 50 or 60 % of pre-war), while trade unions work to restore them gradually to the pre-war level. This situation, in a period of economic and social crisis such as the present, accentuates the differences between employers and labor and causes unrest.

(1) The fact that independent artisans, farmers etc. are excluded explains the difference between the above figures and those for 1936 in table 1.

in war-prisoners' camps; the slow progress in economic reconstruction and rehabilitation work (due to both internal and external causes); the military occupation; the persisting low wages.

12. The war and the slow industrial rehabilitation have postponed the training of new skilled manual and higher clerical workers. There is at present therefore a surplus of unskilled workers, and a shortage of skilled and expert workers. Thus it is imperative that occupational training and the rapid formation of skilled workers are taken in hand. This is necessary for economic recovery and for the greater industrialization of the country.

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13. The main effort both of the Government and of the Trade Unions is concentrated on securing recovery both of industrial activity and of public works, to achieve a decent standard of living and greater employment.

14. The main problems relating to labor organization and to labor in general which have engaged the attention of the Trade Unions are:

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(b) coordination of the provisions of collective labor agreements and of wage scales: to replace the confusion that has harmed both employers and labor during the post-war period;
(c) bringing wages in Southern Italy more in line with wages prevailing in Northern Italy;
(d) conclusion of collective labor agreements by branches of industry on a national or inter-regional basis;
(e) adjustment of wages to cost of living (and in particular the introduction of a wage sliding scale).

*The Government Program.*

15. The Prime Minister has stated that for production there should be a national plan that can reduce unemployment, lower costs and give scope for economic rehabilitation. The Government should intervene financially to transfer workers from industry to industry and provide a larger public works program. Joint committees (Consigli di gestione) should be established for ensuring cooperation between labor and executives in

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the larger concerns. Land should be made available to agricultural workers, through existing organizations with the necessary funds and technical organization to establish the new tenants: subsidies and loans by the State are also planned.

*Present Tasks of the Ministry of Labor.*

16. As explained on 19 September 1946 by signor D'Aragona, the Minister of Labor, his Ministry is mainly occupied with:

(a) finding employment for the unemployed and their vocational training;
(b) finding outlets for emigration.

17. As to (a) the Ministry of Labor is not so much concerned with finding jobs, but with the rational organization of the problem, so that surplus labor may be absorbed by those industries that need labor. To this end the Ministry of Labor is setting up professional schools, where labor can be trained for new occupations (1). There are, for instance, many workers who were previously engaged in war or autarchic industries and who will need to change their vocations to earn a living. It is foreseen that there will be a large demand both in Italy and abroad by the building industry. It is therefore planned to train as many skilled workers as possible for this industry. The problem is not, however, easy, as most workers have family dependents and it is necessary to grant the workers subsidies so that the families can subsist while the workers are learning their new trades.

18. As to (b) it is the task of the Ministry of Labor, in cooperation with the Ministry for Foreign Affairs, to endeavour to find outlets for surplus labor. This surplus labor must, however, first be trained so that the workers will be fully acceptable in the countries where they wish to settle.

*UNEMPLOYMENT*

19. Official statistics on unemployment in Italy are under estimates, because the worker is not compelled to register with, or the employer to hire his labour from the employment offices. Moreover, there are no uniform national regulations for the collection of data or for preventing the registration of the same worker with two or more employment offices.

20. Unemployment in agriculture, industry, commerce and other economic activities according to Italian official figures was as follows:

| | *Number of persons unemployed* |
|---|---|
| *1945* | — |
| September | 1,256,847 |
| December | 1,324,763 |
| *1946* | |
| January | 1,428,101 |
| February | 1,197,924 |
| March | 1,334,596 |
| April | 1,467,678 |
| May | 1,546,100 |
| June | 1,531,402 |
| July | 1,683,077 |
| August | 1,769,765 |

21. The significance of these figures can be appreciated when compared with the total of 1,018,953 unemployed registered in 1933, i.e. at the lowest point of the depression of the early Thirties. The decrease in February, 1946, is due to the failure of many unemployed to register at the unemployment offices during a special census held in that month.

22. Many workers do not register with the employment offices owing to:

(a) the low rates of unemployment benefit (52 to 62 lire a day, which can in 1946 hardly buy a pound of bread at black market prices);
(b) impossibility for the worker to receive benefits either because he has not paid in the minimum contributions required by law to entitle him to such benefits, or because he has already received benefits for the maximum period allowed (180 days);
(c) preference of the worker to look for employment directly rather than register through the employment offices.

23. There were signs of increased registration of unemployed workers at the employment offices in July and August 1946, following the decree granting a 3,000 lire bonus known as the "premium of the republic" which included the unemployed workers, provided they are duly registered at employment offices.

24. There are in 1946 many more unemployed than before the war because many persons who did not then

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## *UNEMPLOYMENT*

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(1) Before the war there was the Istituto Nazionale Addestramento e Perfezionamento dei Lavoratori Industria (INAPLI - National Institute for training and for perfecting the skills of industrial laborers). The Institute is now developing its activies. In 1946 there will be 550 training courses, that will provide for over 20,000 workers. The Institute in supported by employer and labor organizations as well as by the Ministries of Labor and of Education.

| | |
|---|---|
| September | 1,256,847 |
| December | 1,324,763 |
| *1946* | |
| January | 1,428,101 |
| February | 1,197,924 |
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(c) preference of the worker to look for employment directly rather than register through the employment offices.

23. There were signs of increased registration of unemployed workers at the employment offices in July and August 1946, following the decree granting a 3,000 lire bonus known as the "premium of the republic" which included the unemployed workers, provided they are duly registered at employment offices.

24. There are in 1946 many more unemployed than before the war because many persons who did not then seek employment (housewives—especially of the middle and lower income groups—students) are now, as a consequence of the war and severe economic depression, anxiously seeking any jobs that will increase the low income of their family.

930 1

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25. Furthermore, unemployment increased as from April, 1946, owing to:

(a) the return of more war veterans from prison camps (during the month of May, 1946, the Minister of Post-War Assistance estimated at 600,000 the number of unemployed and needy war veterans);

(b) the coal shortage in May and June.

26. Without taking into account persons not fully employed, it is estimated that the total unemployed on 1 July, 1946, was about 2.5 million. This compares with 2.5 to 3 million in January, 1946. These 1946 figures represent a peak of unemployment without parallel. Of the 2.5 million unemployed, it is estimated that at least three fifths, i.e. 1.5 million of them, are heads of families. The population census of 1936 shows that, for every employed head-of-family, there were on the average 2.3 non-producer members of his family dependent on him. It can therefore be estimated that there are 6 million persons in need as a result of unemployment.

27. To reduce unemployment to some extent, a decree was passed on 14 February 1946, compelling firms employing more than 10 persons (excluding female employees engaged in activities normally and traditionally carried out by women) to employ war veterans in the proportion of 5 % of the total number employed on 31 December, 1945.

28. A further provision (Decree of 5 March, 1946) gave Prefects the right to increase the percentage of war veterans employed to 10 % (1).

29. These two decrees affect private firms only. In the Civil Service the compulsory employment of war veterans is limited to 5 %.

30. Of the persons officially registered at the employment exchanges 10 % to 14 % received unemployment benefit in the following months:

| | Persons receiving unemployment benefits | Percentage of registered unemployed |
|---|---|---|
| December, 1945 | 142,000 | 10.7 |
| January, 1946 | 150,000 | 10.5 |
| February, 1946 | 171,000 | 14.3 |
| March, 1946 | 186,000 | 13.9 |

*Unemployment by Occupation and by Regions.*

31. Official statistics related to 1.5 million unemployed in June, 1946, show (see Graph - Table 7) that 59.2 % of the unemployed is from industry, 14.1 % from agriculture, 8.1 % from commerce and 18.6 % from other activities. Assuming the same proportions for 2.5 million unemployed, approximately 1.48 million persons are unemployed in industry. This is equal to 42 % of the 3.5 million persons employed in industry in 1938.

32. Unemployment in agriculture is particularly severe in the areas of migratory labor (laborers hired by the day and having no long-term arrangements with the farms on which they work). In these areas the Prefect issued regulations to force every farm to take a certain number of laborers, according to its size (imponibile di mano d'opera).

33. The distribution of unemployment is given in Tables 3 to 9, based on statistics provided by the Italian Ministry of Labor and Social Security. Table 3 shows unemployment figures by regions from December, 1945, to June, 1946. Table 4 (also Graph - Table 3) shows in percentages the figures given in Table 3. Tables 6, 8 and 9 show unemployment figures and percentages by region and by occupation in June, 1946.

34. The percentage of unemployed by Regions to total unemployment in Italy in June, 1946, is as follows:

TABLE 2

Unemployment by Regions in Italy: June 1946

| Regions (2) | Per cent of total unemployment |
|---|---|
| Piedmont | 5.8 |
| Liguria | 4.8 |
| Lombardy | 20.3 |
| Venezia Tridentina | 1.1 |
| Veneto | 14.1 |
| Emilia | 10.2 |
| NORTHERN ITALY | 56.3 |
| Tuscany | 8.0 |
| Marche | 2.3 |
| Umbria | 0.9 |
| Lazio | 3.9 |
| CENTRAL ITALY | 15.1 |
| Abruzzi and Molise | 3.5 |
| Campania | 9.3 |
| Puglie | 4.7 |
| Lucania | 0.6 |
| Calabria | 3.4 |
| SOUTHERN ITALY | 21.5 |
| Sicily | 5.8 |

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war veterans);

(b) the coal shortage in May and June.

26. Without taking into account persons not fully employed, it is estimated that the total unemployed on 1 July, 1946, was about 2.5 million. This compares with 2.5 to 3 million in January, 1946. These 1946 figures represent a peak of unemployment without parallel. Of the 2.5 million unemployed, it is estimated that at least three fifths, i.e. 1.5 million of them, are heads of families. The population census of 1936 shows that, for every employed head-of-family, there were on the average 2.3 non-producer members of his family dependent on him. It can therefore be estimated that there are 6 million persons in need as a result of unemployment.

27. To reduce unemployment to some extent, a decree was passed on 14 February 1946, compelling firms employing more than 10 persons (excluding female employees engaged in activities normally and traditionally carried out by women) to employ war veterans in the proportion of 5 % of the total number employed on 31 December, 1945.

28. A further provision (Decree of 5 March, 1946) gave Prefects the right to increase the percentage of war veterans employed to 10 % (1).

29. These two decrees affect private firms only. In the Civil Service the compulsory employment of war veterans is limited to 5 %.

30. Of the persons officially registered at the employment exchanges 10 % to 14 % received unemployment benefit in the following months:

| | Persons receiving unemployment benefits | Percentage of registered unemployed |
|---|---|---|
| December, 1945 | 142.000 | 10.7 |
| January, 1946 | 150,000 | 10.5 |
| February, 1946 | 171.000 | 14.3 |
| March, 1946 | 186.000 | 13.9 |

About one third of those receiving unemployment benefit are women.

(1) In present conditions this could only be done at the expense of other employed categories (particularly women).

activities. Assuming the same proportions for 2.5 million unemployed, approximately 1.48 million persons are unemployed in industry. This is equal to 42 % of the 3.5 million persons employed in industry in 1938.

32. Unemployment in agriculture is particularly severe in the areas of migratory labor (laborers hired by the day and having no long-term arrangements with the farms on which they work). In these areas the Prefect issued regulations to force every farm to take a certain number of laborers, according to its size (imponibile di mano d'opera).

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34. The percentage of unemployed by Regions to total unemployment in Italy in June, 1946, is as follows:

TABLE 2

Unemployment by Regions in Italy: June 1946

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|---|---|
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| Liguria | 4.8 |
| Lombardy | 20.3 |
| Venezia Tridentina | 1.1 |
| Veneto | 14.1 |
| Emilia | 10.2 |
| NORTHERN ITALY | 56.3 |
| Tuscany | 8.0 |
| Marche | 2.3 |
| Umbria | 0.9 |
| Lazio | 3.9 |
| CENTRAL ITALY | 15.1 |
| Abruzzi and Molise | 3.5 |
| Campania | 9.3 |
| Puglie | 4.7 |
| Lucania | 0.6 |
| Calabria | 3.4 |
| SOUTHERN ITALY | 21.5 |
| Sicily | 5.8 |
| Sardinia | 1.3 |
| ITALIAN ISLANDS | 7.1 |
| TOTAL | 100.0 |

Source: Italian Ministry of Labor.

(2) Venezia Giulia excluded.

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TABLE 3

## Unemployment by Regions and total Registered Unemployment in Italy from December, 1945 to June, 1946

| Regions | December 1945 | January 1946 | February 1946 | March 1946 | April 1946 | May (1) 1946 | June (1) 1946 |
|---|---|---|---|---|---|---|---|
| | Number of unemployed | | | | | | |
| Piedmont | 48,795 | 60,781 | 65,664 | 70,242 | 75,799 | 85,805 | 88,481 |
| Liguria | 62,517 | 65,362 | 43,004 | 51,291 | 60,928 | 67,814 | 72,974 |
| Lombardy | 177,623 | 228,847 | 221,153 | 270,527 | 288,129 | 302,603 | 309,988 |
| Venezia Tridentina | 6,147 | 8,768 | 10,110 | 11,187 | 13,017 | 14,925 | 16,903 |
| Veneto | 171,983 | 182,615 | 181,237 | 198,180 | 210,929 | 219,016 | 216,587 |
| Emilia | 175,415 | 173,195 | 173,903 | 198,671 | 187,139 | 213,603 | 156,886 |
| NORTHERN ITALY | *642,480* | *719,268* | *698,471* | *800,098* | *835,941* | *903,766* | *861,619* |
| Tuscany | 115,695 | 128,049 | 97,768 | 109,695 | 116,047 | 118,731 | 122,691 |
| Marche | 34,159 | 36,737 | 24,057 | 34,975 | 37,051 | 35,836 | 34,988 |
| Umbria | 13,352 | 14,360 | 9,198 | 11,776 | 12,855 | 12,973 | 13,212 |
| Lazio | 42,491 | 47,769 | 25,438 | 32,028 | 43,824 | 50,592 | 59,454 |
| CENTRAL ITALY | *205,697* | *226,915* | *166,461* | *188,474* | *209,777* | *218,132* | *230,345* |
| Abruzzi and Molise | 42,478 | 47,093 | 40,665 | 46,465 | 52,573 | 54,058 | 53,696 |
| Campania | 150,191 | 143,046 | 68,439 | 103,714 | 96,060 | 109,402 | 142,910 |
| Puglie | 90,060 | 90,016 | 56,268 | 89,093 | 88,911 | 76,720 | 72,406 |
| Lucania | 13,635 | 15,793 | 16,072 | 14,771 | 13,287 | 14,455 | 13,605 |
| Calabria | 41,408 | 41,500 | 36,022 | 53,879 | 53,243 | 50,155 | 52,104 |
| SOUTHERN ITALY | *337,772* | *337,448* | *217,466* | *307,922* | *304,024* | *304,790* | *329,831* |
| Sicily | 108,935 | 113,288 | 92,137 | 10,135 | 87,304 | 90,620 | 89,407 |
| Sardinia | 29,879 | 31,182 | 23,489 | 27,967 | 30,632 | 28,792 | 20,200 |
| ITALIAN ISLANDS | *138,814* | *144,470* | *115,626* | *38,102* | *117,936* | *119,412* | *109,607* |
| TOTAL | 1,324,763 | 1,428,101 | 1,197,924 | 1,334,596 | 1,467,678 | 1,546,100 | 1,531,402 |
| INDEX | 100 | 107.8 | 90.4 | 100.7 | 110.8 | 116.7 | 115.5 |

(1) Provisional.
Source: Ministry of Labor and Social Security, Rome.

### *Partial Unemployment and Ban on Dismissal.*

35. Over and above the unemployed there is in most regions a considerable number of partially employed persons. These are outside the purview of the employment offices. A special agreement made in Milan in [illegible] to 75 % of their pay (including family allowances) for the balance of the working week up to 48 hours. Thus, a large part of the industrial workers in Northern Italy working less than a full week was in receipt of "make-up" pay to 48 hours per week, paid partly by the employer and partly by the State from a fund for workers employed part-time.

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3360

| | Number of unemployed | | | | | | |
|---|---|---|---|---|---|---|---|
| Piedmont | 48,795 | 60,781 | 65,664 | 70,242 | 75,799 | 85,805 | 88,481 |
| Liguria | 62,517 | 65,062 | 43,004 | 54,291 | 60,928 | 67,814 | 72,974 |
| Lombardy | 177,623 | 228,847 | 221,453 | 270,527 | 288,129 | 302,603 | 309,988 |
| Venezia Tridentina | 6,117 | 8,768 | 10,110 | 11,187 | 13,017 | 14,925 | 16,903 |
| Veneto | 171,983 | 182,615 | 184,237 | 198,180 | 210,929 | 219,016 | 216,387 |
| Emilia | 175,445 | 173,195 | 173,903 | 198,871 | 187,139 | 213,603 | 156,886 |
| NORTHERN ITALY | *612,480* | *719,268* | *698,371* | *803,098* | *835,941* | *903,766* | *861,619* |
| Tuscany | 115,695 | 128,049 | 97,768 | 109,695 | 116,047 | 118,731 | 122,691 |
| Marche | 34,159 | 36,737 | 34,057 | 34,975 | 37,051 | 35,836 | 34,988 |
| Umbria | 13,852 | 14,360 | 9,198 | 11,776 | 12,855 | 12,973 | 13,212 |
| Lazio | 42,491 | 47,769 | 25,438 | 32,028 | 43,824 | 50,592 | 59,454 |
| CENTRAL ITALY | *205,697* | *226,915* | *166,461* | *188,474* | *209,777* | *218,132* | *230,345* |
| Abruzzi and Molise | 42,478 | 47,093 | 40,665 | 46,465 | 52,573 | 54,058 | 53,696 |
| Campania | 150,191 | 143,046 | 68,439 | 103,714 | 96,060 | 109,402 | 142,910 |
| Puglie | 90,060 | 90,016 | 56,268 | 89,093 | 88,911 | 76,720 | 72,406 |
| Lucania | 13,635 | 15,793 | 16,072 | 14,771 | 13,237 | 14,455 | 13,050 |
| Calabria | 41,408 | 41,500 | 36,022 | 53,879 | 53,243 | 50,155 | 52,104 |
| SOUTHERN ITALY | *337,772* | *337,448* | *217,566* | *307,922* | *304,024* | *304,790* | *329,831* |
| Sicily | 108,935 | 113,288 | 92,137 | 10,133 | 87,304 | 90,620 | 89,407 |
| Sardinia | 29,879 | 31,182 | 23,489 | 27,967 | 30,632 | 28,792 | 20,200 |
| ITALIAN ISLANDS | *138,814* | *144,470* | *115,626* | *38,102* | *117,936* | *119,412* | *109,607* |
| TOTAL | 1,324,763 | 1,428,101 | 1,197,924 | 1,337,596 | 1,467,678 | 1,546,100 | 1,531,402 |
| INDEX | 100 | 107.8 | 90.4 | 100.7 | 110.8 | 116.7 | 115.5 |

(1) Provisional.
Source: Ministry of Labor and Social Security, Rome.

### *Partial Unemployment and Ban on Dismissal.*

35. Over and above the unemployed there is in most regions a considerable number of partially employed persons. These are outside the purview of the employment offices. A special agreement made in Milan in July 1945, and extended to the whole of Northern Italy, provided that workers should receive a proportion of their wages even when not working or working less than 40 hours a week. Under this special agreement the dismissal of workers not needed to maintain current industrial production was temporarily abrogated. Industrial workers without full time work were entitled to 75 % of their pay (including family allowances) for the balance of the working week up to 48 hours. Thus, a large part of the industrial workers in Northern Italy working less than a full week was in receipt of "make-up" pay to 48 hours per week, paid partly by the employer and partly by the State from a fund for workers employed part-time.

36. Under a decree issued on 21 August, 1945, No. 523 (which modified the agreement referred to in para. 35), a 40-hour week was established for industrial concerns in Northern Italy and workers would receive payment of two thirds wages for every hour not worked between

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TABLE 4

Percentage of Unemployment by Regions to total Unemployment in Italy from December 1945 to June 1946

| Regions | December 1945 % | January 1946 % | February 1946 % | March 1946 % | April 1946 % | May 1946 % | June 1946 % |
|---|---|---|---|---|---|---|---|
| Piedmont | 3.7 | 4.3 | 5.5 | 5.3 | 5.2 | 5.5 | 5.8 |
| Liguria | 4.7 | 4.6 | 3.6 | 3.8 | 4.2 | 4.4 | 4.8 |
| Lombardy | 13.4 | 16.0 | 18.5 | 20.3 | 19.6 | 19.6 | 20.2 |
| Venezia Tridentina | 0.5 | 0.6 | 0.8 | 0.8 | 0.9 | 1.0 | 1.1 |
| Veneto | 13.0 | 12.8 | 15.4 | 14.9 | 14.1 | 14.2 | 14.1 |
| Emilia | 13.2 | 12.1 | 14.5 | 14.9 | 12.7 | 13.8 | 10.3 |
| *NORTHERN ITALY* | *48.5* | *50.5* | *58.3* | *60.0* | *57.6* | *58.5* | *56.3* |
| Tuscany | 8.7 | 9.0 | 8.2 | 8.2 | 7.9 | 7.7 | 8.0 |
| Marche | 2.6 | 2.6 | 2.8 | 2.6 | 2.5 | 2.3 | 2.3 |
| Umbria | 1.0 | 1.0 | 0.8 | 0.9 | 0.9 | 0.8 | 0.8 |
| Lazio | 3.2 | 3.3 | 2.1 | 2.4 | 3.0 | 3.3 | 3.9 |
| *CENTRAL ITALY* | *15.5* | *15.9* | *13.9* | *14.1* | *14.3* | *14.1* | *15.0* |
| Abruzzi and Molise | 3.2 | 3.3 | 3.4 | 3.5 | 3.6 | 3.5 | 3.5 |
| Campania | 11.4 | 10.0 | 5.7 | 7.8 | 6.5 | 7.1 | 9.3 |
| Puglie | 6.8 | 6.3 | 4.7 | 6.7 | 6.1 | 5.0 | 4.7 |
| Lucania | 1.0 | 1.1 | 1.4 | 1.1 | 0.9 | 0.9 | 0.6 |
| Calabria | 3.1 | 2.9 | 3.0 | 4.0 | 3.6 | 3.2 | 3.4 |
| *SOUTHERN ITALY* | *25.5* | *23.6* | *18.2* | *23.1* | *20.7* | *19.7* | *21.5* |
| Sicily | 8.2 | 7.9 | 7.7 | 0.7 | 5.9 | 5.8 | 5.9 |
| Sardinia | 2.3 | 2.2 | 1.9 | 2.1 | 2.1 | 1.9 | 1.3 |
| *ITALIAN ISLANDS* | *10.5* | *10.1* | *9.6* | *2.8* | *8.0* | *7.7* | *7.2* |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

a minimum of 24 and a maximum of 40 hours. Even in this modified form these arrangements would represent a heavy financial burden on the enterprise affected and a serious obstacle to the resumption of profitable industrial operation (see para. 173).

37. Unemployment statistics showed that about 45 % of labor employed in the machine industry and 40 % of labor in metallurgic industry was idle; in Lombardy many industries employed 37 % of their available labor less than 40 hours a week; 15 % of this 37 % did not work more than 24 hours per week.

38. On 10 January 1946 an agreement was reached

(b) an additional 4 % might be dismissed during the first half of March and 4 % more during the second half of March;

(c) the permissible percentage of dismissals for April was set at 8 %.

39. This step was only partially carried into effect, and in several industries the established rates of dismissals were alleged to be too low to stop the excessive drain for wages to unnecessary workers.

40. A draft decree approved on 23 May 1946 by the Government postponed block dismissals until the end

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| Regions | 1945 % | 1946 % | 1946 % | 1946 % | 1946 % | 1946 % | 1946 % |
|---|---|---|---|---|---|---|---|
| Piedmont | 3.7 | 4.3 | 5.5 | 5.3 | 5.2 | 5.5 | 5.8 |
| Liguria | 4.7 | 4.6 | 3.6 | 3.8 | 4.2 | 4.4 | 4.8 |
| Lombardy | 13.4 | 16.0 | 18.5 | 20.3 | 19.6 | 19.6 | 20.2 |
| Venezia Tridentina | 0.5 | 0.6 | 0.8 | 0.8 | 0.9 | 1.0 | 1.1 |
| Veneto | 13.0 | 12.8 | 15.4 | 11.9 | 14.1 | 14.2 | 14.1 |
| Emilia | 13.2 | 12.1 | 14.5 | 14.9 | 12.7 | 13.8 | 10.3 |
| *NORTHERN ITALY* | *48.5* | *50.4* | *58.3* | *60.0* | *57.0* | *58.5* | *56.3* |
| Tuscany | 8.7 | 9.0 | 8.2 | 8.2 | 7.9 | 7.7 | 8.0 |
| Marche | 2.6 | 2.6 | 2.8 | 2.6 | 2.5 | 2.3 | 2.3 |
| Umbria | 1.0 | 1.0 | 0.8 | 0.9 | 0.9 | 0.8 | 0.8 |
| Lazio | 3.2 | 3.3 | 2.1 | 2.4 | 3.0 | 3.3 | 3.9 |
| *CENTRAL ITALY* | *15.5* | *15.9* | *13.9* | *14.1* | *14.3* | *14.1* | *15.0* |
| Abruzzi and Molise | 3.2 | 3.3 | 3.4 | 3.5 | 3.6 | 3.5 | 3.5 |
| Campania | 11.1 | 10.0 | 5.7 | 7.8 | 6.5 | 7.1 | 9.3 |
| Puglie | 6.8 | 6.3 | 4.7 | 6.7 | 6.1 | 5.0 | 4.7 |
| Lucania | 1.0 | 1.1 | 1.4 | 1.1 | 0.9 | 0.9 | 0.6 |
| Calabria | 3.1 | 2.9 | 3.0 | 4.0 | 3.6 | 3.2 | 3.4 |
| *SOUTHERN ITALY* | *25.3* | *23.6* | *18.2* | *23.1* | *20.7* | *19.7* | *21.5* |
| Sicily | 8.2 | 7.9 | 7.7 | 0.7 | 5.9 | 5.8 | 5.9 |
| Sardinia | 2.3 | 2.2 | 1.9 | 2.1 | 2.1 | 1.9 | 1.3 |
| *ITALIAN ISLANDS* | *10.5* | *10.1* | *9.6* | *2.8* | *8.0* | *7.7* | *7.2* |
| TOTAL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

a minimum of 24 and a maximum of 40 hours. Even in this modified form these arrangements would represent a heavy financial burden on the enterprise affected and a serious obstacle to the resumption of profitable industrial operation (see para. 173).

37. Unemployment statistics showed that about 45 % of labor employed in the machine industry and 40 % of labor in metallurgic industry was idle: in Lombardy many industries employed 37 % of their available labor less than 40 hours a week; 15 % of this 37 % did not work more than 24 hours per week.

38. On 19 January 1946 an agreement was reached authorizing dismissal of workers employed ("Sblocco dei licenziamenti") as at 31 December, 1945, in the following proportions:

(a) 5 % of them might be dismissed in February 1946;

(b) an additional 4 % might be dismissed during the first half of March and 4 % more during the second half of March;

(c) the permissible percentage of dismissals for April was set at 8 %.

39. This step was only partially carried into effect, and in several industries the established rates of dismissals were alleged to be too low to stop the excessive drain for wages to unnecessary workers.

40. A draft decree approved on 23 May 1946 by the Government postponed block dismissals until the end of July 1946. The postponement was subsequently extended to 30 September 1946 ("Riblocco dei licenziamenti"). In the meantime a committee was set up to study the situation in industry and to make recommendations for schemes to transfer workers from over-

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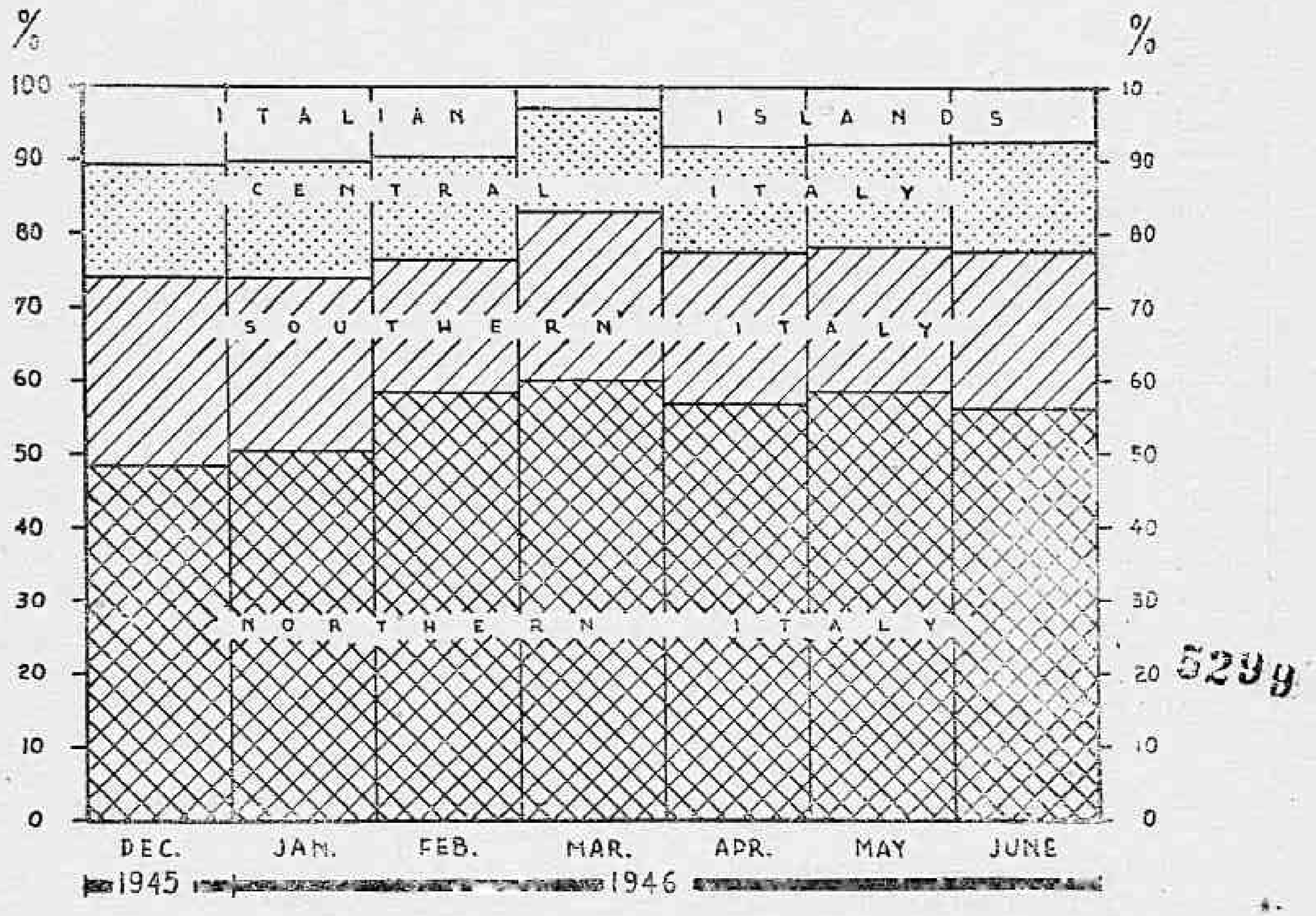
TABLE 5

PERCENT DISTRIBUTION, BY REGIONAL GROUPS, OF UNEMPLOYMENT TO TOTAL UNEMPLOYMENT IN ITALY FROM DEC. 1945 TO JUNE 1946




crowded industries to other industries (e.g. as part of a plan to revive the building industry).

41. The burden of carrying unnecessary employees weighs very heavily on many industries. It hampers progress in production and stands in the way of reduction of cost of production. It has the general effect of lowering individual performance throughout the industries concerned.

42. The Integration Fund from which partially unemployed workers are paid (see Table 18), during the

to be reliable enough, having in mind that in February 1946 there were in Lombardy 270,000 workers who were entitled to part-time benefits. Of these workers, 59,990 were temporarily discharged and 54,000 worked less than 20 hours per week.

*Measures Taken to Relieve Unemployment.*

43. Unemployment presents a problem found in many modern industrialised countries. In the United States it reached a peak between the two wars of 12 million

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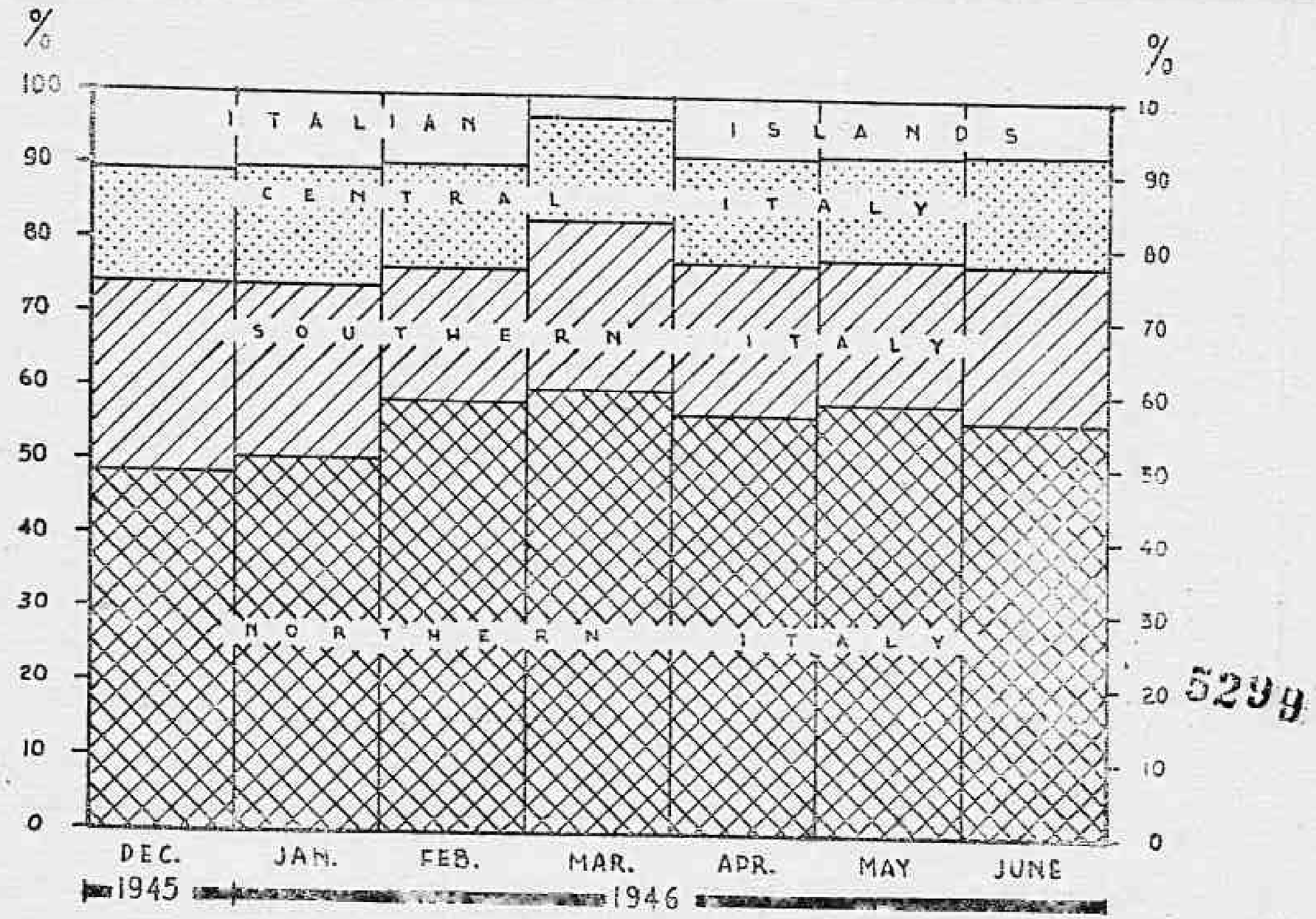


5298

crowded industries to other industries (e.g. as part of a plan to revive the building industry).

41. The burden of carrying unnecessary employees weighs very heavily on many industries. It hampers progress in production and stands in the way of reduction of cost of production. It has the general effect of lowering individual performance throughout the industries concerned.

42. The Integration Fund from which partially unemployed workers are paid (see Table 18), during the first quarter of 1946, paid out about 1,900 million lire at a monthly rate of about 650 million lire. On the assumption that the monthly average payment amounts to 3,000 lire per worker, about 220,000 workers have been working part-time. There are no up to date statistics on this subject: this estimate, however, seems to be reliable enough, having in mind that in February 1916 there were in Lombardy 270,000 workers who were entitled to part-time benefits. Of these workers, 59,990 were temporarily discharged and 54,000 worked less than 20 hours per week.

*Measures Taken to Relieve Unemployment.*

43. Unemployment presents a problem found in many modern industrialised countries. In the United States it reached a peak between the two wars of 12 million persons. In Great Britain unemployment was proportionately as severe. In some European countries planned unemployment insurance gives the worker some security, and public employment exchanges serve to bring the worker in touch with available jobs. Many of the steps taken to keep unemployed men at work

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## Italian Unemployment by Region and by Occupation

TABLE 6

May and June 1946

| Regions | Agriculture | | Industry | | Commerce | | Miscellaneous | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Number of unemployed | | | | | | | | | |
| | May | June | May | June | May | June | May | June | May | June |
| Piedmont | 1,471 | 952 | 15,944 | 17,345 | 4,479 | 4,722 | 33,908 | 35,468 | 85,805 | 88,481 |
| Liguria | 932 | 1,004 | 30,157 | 32,421 | 6,217 | 6,771 | 30,488 | 33,778 | 67,814 | 72,971 |
| Lombardy | 11,236 | 11,235 | 215,545 | 220,874 | 21,949 | 24,926 | 50,873 | 52,953 | 302,603 | 309,988 |
| Veneto | 819 | 1,191 | 7,221 | 7,952 | 2,018 | 2,282 | 4,867 | 5,478 | 14,925 | 16,903 |
| Venezia Tridentina | 18,102 | 11,357 | 167,811 | 167,812 | 13,777 | 13,925 | 19,023 | 20,293 | 219,016 | 216,387 |
| Emilia | 116,270 | 62,693 | 78,961 | 75,518 | 7,791 | 7,150 | 10,578 | 11,519 | 213,603 | 156,886 |
| NORTHERN ITALY | *152,156* | *91,432* | *515,639* | *521,922* | *56,231* | *59,776* | *149,737* | *158,489* | *903,766* | *861,619* |
| Tuscany | 1,311 | 1,239 | 68,688 | 70,633 | 15,836 | 17,215 | 29,813 | 30,574 | 118,781 | 122,691 |
| Marche | 4,329 | 3,501 | 26,927 | 25,534 | 1,541 | 1,869 | 3,939 | 4,084 | 35,836 | 34,988 |
| Umbria | 1,088 | 980 | 10,578 | 10,294 | 41 | 400 | 1,266 | 1,558 | 12,973 | 13,232 |
| Lazio | 6,519 | 7,451 | 31,616 | 36,111 | 11,433 | 13,854 | 1,594 | 1,702 | 50,592 | 59,454 |
| CENTRAL ITALY | *16,310* | *16,181* | *136,809* | *142,905* | *28,871* | *33,338* | *36,642* | *37,918* | *218,132* | *230,345* |
| Abruzzi and Molise | 13,883 | 13,720 | 34,915 | 31,565 | 1,579 | 1,703 | 3,681 | 3,708 | 54,058 | 53,696 |
| Campania | 21,582 | 20,763 | 34,204 | 51,689 | 3,559 | 7,648 | 48,057 | 62,810 | 109,402 | 142,910 |
| Puglie | 36,441 | 32,913 | 33,296 | 32,904 | 3,055 | 2,869 | 3,928 | 3,720 | 76,720 | 72,406 |
| Lucania | 9,411 | 4,251 | 4,150 | 3,525 | 181 | 195 | 713 | 741 | 14,455 | 8,715 |
| Calabria | 15,509 | 15,687 | 28,513 | 29,862 | 2,249 | 2,163 | 3,893 | 4,391 | 50,155 | 52,104 |
| SOUTHERN ITALY | *96,826* | *87,333* | *135,078* | *152,546* | *12,611* | *14,578* | *60,272* | *75,370* | *304,790* | *329,831* |
| Sicily | 16,092 | 13,982 | 48,807 | 48,734 | 16,104 | 14,476 | 9,617 | 12,215 | 90,620 | 89,407 |
| Sardinia | 14,137 | 6,184 | 11,449 | 10,593 | 2,303 | 2,450 | 903 | 973 | 28,790 | 20,200 |
| ITALIAN ISLANDS | *30,229* | *20,166* | *60,256* | *59,327* | *18,407* | *16,926* | *10,520* | *13,188* | *119,412* | *109,607* |
| TOTAL | 295,518 | 215,119 | 847,288 | 906,700 | 116,123 | 124,618 | 257,171 | 284,965 | 1,546,100 | 1,531,402 |

are much the same in most industrial countries. In Italy at the present time the following measures are being taken of which (b) is unusual:

(a) undertaking of public works;

(b) the dismissal of workers forbidden (see para. 40):

(c) grants to war veterans and cash relief to the unemployed:

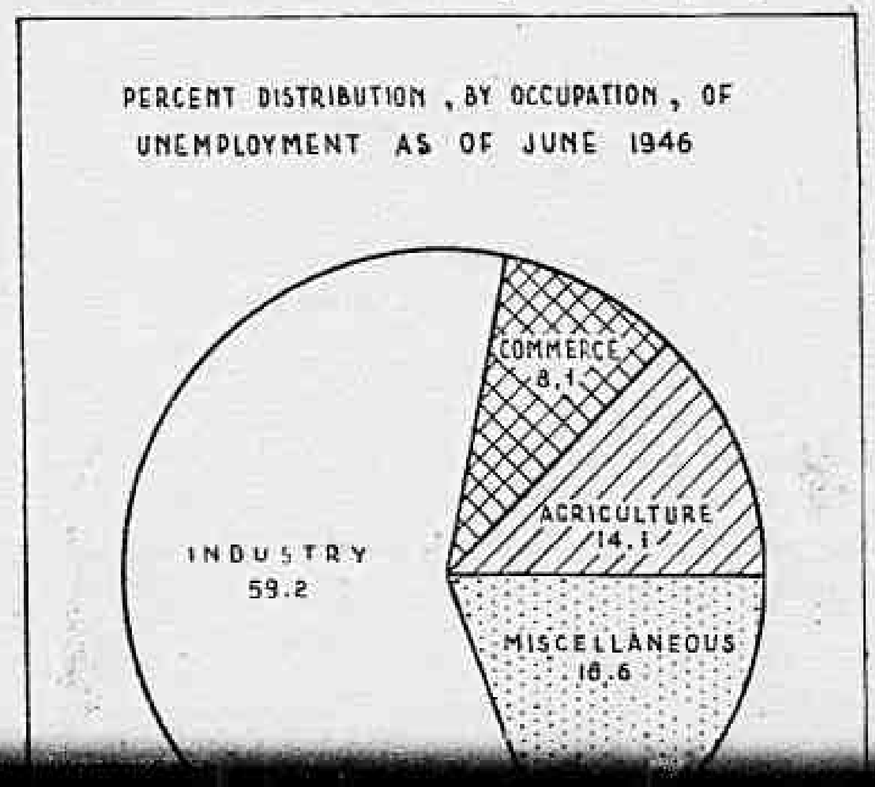
(d) the hiring of war veterans made compulsory (see paras. 27 to 29):

(e) loans made for the rehabilitation of industry and agriculture and for reconstruction work;

(f) land distribution to agricultural workers.

*Public Works.*

TABLE 7
(See para. 31)

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| | Number of unemployed | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | May | June | May | June | May | June | May | June | May | June |
| Piedmont | 1,474 | 952 | 45,941 | 47,345 | 4,479 | 4,722 | 33,908 | 35,468 | 85,805 | 88,481 |
| Liguria | 932 | 1,001 | 30,457 | 32,421 | 6,217 | 6,771 | 30,488 | 33,778 | 67,814 | 72,974 |
| Lombardy | 14,236 | 11,235 | 215,345 | 220,874 | 21,919 | 24,926 | 50,873 | 52,953 | 302,603 | 309,988 |
| Veneto | 819 | 1,191 | 7,221 | 7,952 | 2,018 | 2,282 | 4,867 | 5,478 | 14,925 | 16,903 |
| Venezia Tridentina | 18,102 | 11,357 | 197,811 | 197,812 | 13,777 | 13,925 | 19,023 | 20,293 | 219,016 | 216,987 |
| Emilia | 116,270 | 62,603 | 78,961 | 75,518 | 7,791 | 7,159 | 10,578 | 11,519 | 213,603 | 156,886 |
| NORTHERN ITALY | *153,153* | *91,432* | *575,635* | *581,922* | *56,241* | *59,776* | *149,737* | *158,489* | *903,766* | *861,619* |
| Tuscany | 1,344 | 1,239 | 68,688 | 70,623 | 15,856 | 17,215 | 29,843 | 30,574 | 118,731 | 122,691 |
| Marche | 4,329 | 3,501 | 26,427 | 25,334 | 1,541 | 1,869 | 3,939 | 4,084 | 35,836 | 34,988 |
| Umbria | 1,088 | 960 | 10,578 | 10,291 | 41 | 400 | 1,266 | 1,558 | 12,973 | 13,212 |
| Lazio | 6,549 | 7,451 | 31,016 | 36,141 | 11,433 | 13,854 | 1,594 | 1,702 | 50,592 | 59,454 |
| CENTRAL ITALY | *16,310* | *16,151* | *136,709* | *142,965* | *28,871* | *33,338* | *36,642* | *37,918* | *218,132* | *230,345* |
| Abruzzi and Molise | 13,883 | 13,720 | 34,915 | 34,565 | 1,579 | 1,703 | 3,681 | 3,708 | 54,058 | 53,696 |
| Campania | 21,582 | 20,763 | 34,201 | 31,689 | 5,559 | 7,648 | 48,057 | 62,810 | 109,402 | 142,910 |
| Puglie | 36,441 | 32,913 | 33,296 | 32,901 | 3,055 | 2,869 | 3,928 | 3,720 | 76,720 | 72,406 |
| Lucania | 9,411 | 4,254 | 4,150 | 3,525 | 181 | 195 | 713 | 741 | 14,455 | 8,715 |
| Calabria | 15,509 | 15,687 | 28,513 | 29,863 | 2,240 | 2,163 | 3,893 | 4,391 | 50,155 | 52,104 |
| SOUTHERN ITALY | *96,826* | *87,337* | *135,075* | *132,543* | *12,614* | *14,578* | *60,272* | *75,370* | *304,790* | *329,831* |
| Sicily | 16,092 | 13,982 | 48,807 | 48,731 | 16,104 | 11,476 | 9,617 | 12,215 | 90,620 | 89,407 |
| Sardinia | 14,137 | 6,184 | 11,119 | 10,393 | 2,303 | 2,450 | 903 | 973 | 28,790 | 20,200 |
| ITALIAN ISLANDS | *30,229* | *20,166* | *60,256* | *59,127* | *18,407* | *16,926* | *10,520* | *13,188* | *119,412* | *109,607* |
| TOTAL | 295,518 | 215,119 | 877,288 | 906,700 | 116,133 | 124,618 | 257,171 | 284,965 | 1,546,100 | 1,531,402 |

are much the same in most industrial countries. In Italy at the present time the following measures are being taken of which (b) is unusual:

(a) undertaking of public works;

(b) the dismissal of workers forbidden (see para. 40);

(c) grants to war veterans and cash relief to the unemployed;

(d) the hiring of war veterans made compulsory (see paras. 27 to 29);

(e) loans made for the rehabilitation of industry and agriculture and for reconstruction work;

(f) land distribution to agricultural workers.

*Public Works.*

**44.** As regards para 43 (a), the public works in 1946 consist mainly of repair to war damage. During the financial year 1945-46 the expenditure on public works amounted to 173,600 million lire out of a total Government expenditure of 461,000 million lire. The Ministry of Public Works alone spent 85,400 million lire in the

TABLE 7
(See para 31)

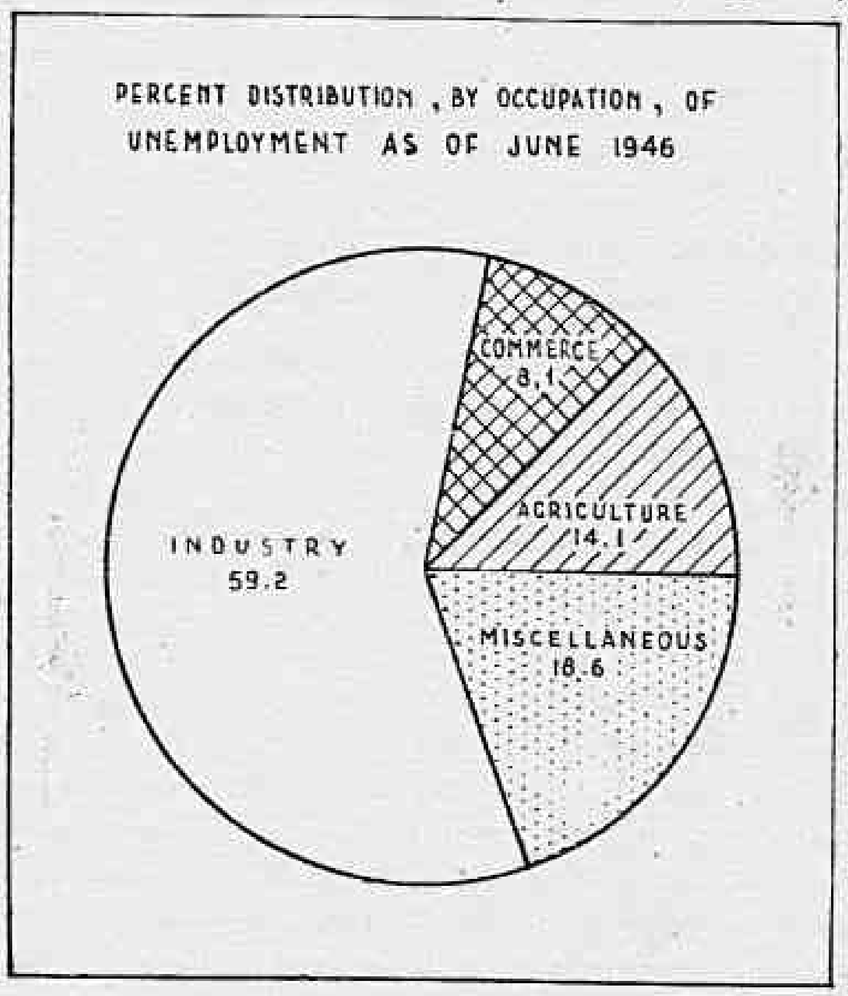


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TABLE 8

Italian Occupational Unemployment: Percentage of Unemployment in each Occupational group to total Unemployment in the Region: June 1946

| Regions | Agriculture | Industry | Commerce | Miscellaneous | Total |
|---|---|---|---|---|---|
| Piedmont | 1.1 | 53.5 | 5.3 | 40.1 | 100.0 |
| Liguria | 1.4 | 44.4 | 9.3 | 44.9 | 100.0 |
| Lombardy | 3.6 | 71.3 | 8.0 | 17.1 | 100.0 |
| Venezia Tridentina | 7.1 | 47.0 | 13.5 | 32.4 | 100.0 |
| Veneto | 6.6 | 77.6 | 6.4 | 9.4 | 100.0 |
| Emilia | 40.0 | 48.1 | 4.6 | 7.3 | 100.0 |
| *NORTHERN ITALY* | *10.6* | *64.1* | *6.9* | *18.4* | *100.0* |
| Tuscany | 3.5 | 57.6 | 14.0 | 24.9 | 100.0 |
| Marche | 10.0 | 73.0 | 5.3 | 11.7 | 100.0 |
| Umbria | 7.3 | 77.9 | 3.0 | 11.8 | 100.0 |
| Lazio | 12.5 | 61.3 | 23.3 | 2.9 | 100.0 |
| *CENTRAL ITALY* | *7.0* | *62.0* | *14.5* | *16.5* | *100.0* |
| Abruzzi and Molise | 25.5 | 64.4 | 3.2 | 6.9 | 100.0 |
| Campania | 14.4 | 36.2 | 5.4 | 44.0 | 100.0 |
| Puglie | 45.5 | 45.4 | 4.0 | 5.1 | 100.0 |
| Lucania | 48.6 | 40.5 | 2.2 | 8.5 | 100.0 |
| Calabria | 30.1 | 57.3 | 4.2 | 8.4 | 100.0 |
| *SOUTHERN ITALY* | *26.5* | *46.2* | *4.4* | *22.9* | *100.0* |
| Sicily | 15.6 | 54.5 | 16.2 | 13.7 | 100.0 |
| Sardinia | 30.6 | 52.5 | 12.1 | 4.8 | 100.0 |
| *ITALIAN ISLANDS* | *18.4* | *54.1* | *15.5* | *12.0* | *100.0* |
| TOTAL | 14.1 | 59.2 | 8.1 | 18.6 | 100.0 |

year 1945-46. Employment on the projects carried out by that Ministry during 1945, was given to 75,847 workers. During the months of April, May and June 1946 respectively, 168,000, 164,000 and 166,000 laborers were employed on public works.

45. For the year 1946-47 the Ministry of Public Works has allocated 25,384 million lire to public works. The total authorised expenses are 68,875 million lire plus 15,000 million under consideration by the Council of Ministers. At a meeting on 23 August 1946, the Ministers of Public Works, Transport and Agriculture, have proposed much larger sums to relieve unemployment.

employed war veteran receives the following daily aid (over a maximum period of 180 days):

(a) to the war veterans: 20 lire;
(b) to every dependent child not over 15: 14 lire;
(c) for the wife and each child between the age of 15 and 18: 17 lire;
(d) for every child over 18 and for each parent totally unable to work and dependent on him: 17 lire.

There are in addition other occasional special allowances.

*Subsidies and Credits to Industry.*

47. From November 1944 to June 1946 (Decree of

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238.

| | | | | | |
|---|---|---|---|---|---|
| Piedmont | 1.1 | 53.5 | 5.3 | 40.1 | 100.0 |
| Liguria | 1.4 | 44.4 | 9.3 | 44.9 | 100.0 |
| Lombardy | 3.6 | 71.3 | 8.0 | 17.1 | 100.0 |
| Venezia Tridentina | 7.1 | 47.0 | 13.5 | 32.4 | 100.0 |
| Veneto | 6.6 | 77.6 | 6.4 | 9.4 | 100.0 |
| Emilia | 40.0 | 48.1 | 4.6 | 7.3 | 100.0 |
| NORTHERN ITALY | *10.6* | *64.1* | *6.9* | *18.4* | *100.0* |
| Tuscany | 3.5 | 57.6 | 14.0 | 24.9 | 100.0 |
| Marche | 10.0 | 73.0 | 5.3 | 11.7 | 100.0 |
| Umbria | 7.3 | 77.9 | 3.0 | 11.8 | 100.0 |
| Lazio | 12.5 | 61.3 | 23.3 | 2.9 | 100.0 |
| CENTRAL ITALY | *7.0* | *62.0* | *14.5* | *16.5* | *100.0* |
| Abruzzi and Molise | 25.5 | 64.4 | 3.2 | 6.9 | 100.0 |
| Campania | 14.4 | 36.2 | 5.4 | 44.0 | 100.0 |
| Puglie | 45.5 | 45.4 | 4.0 | 5.1 | 100.0 |
| Lucania | 48.6 | 40.5 | 2.2 | 8.5 | 100.0 |
| Calabria | 30.1 | 57.3 | 4.2 | 8.4 | 100.0 |
| SOUTHERN ITALY | *26.5* | *46.2* | *4.4* | *22.9* | *100.0* |
| Sicily | 15.6 | 54.5 | 16.2 | 13.7 | 100.0 |
| Sardinia | 30.6 | 52.5 | 12.1 | 4.8 | 100.0 |
| ITALIAN ISLANDS | *18.4* | *54.1* | *15.5* | *12.0* | *100.0* |
| TOTAL | 14.1 | 59.2 | 8.1 | 18.6 | 100.0 |

year 1945-46. Employment on the projects carried out by that Ministry during 1945, was given to 75,847 workers. During the months of April, May and June 1946 respectively, 168,000, 164,000 and 166,000 laborers were employed on public works.

45. For the year 1946-47 the Ministry of Public Works has allocated 25,384 million lire to public works. The total authorised expenses are 68,875 million lire plus 15,000 million under consideration by the Council of Ministers. At a meeting on 23 August 1946, the Ministers of Public Works, Transport and Agriculture, have proposed much larger sums to relieve unemployment.

*Relief to the Unemployed and War Veterans.*

46. As regards para 43 (c), the Ministry of Post-War Assistance has, during the period 15 September 1945 to 15 June 1946. disbursed through the Prefects to needy unemployed war veterans 3,986 million lire, equal to about 443 million lire per month. Each needy unemployed war veteran receives the following daily aid (over a maximum period of 180 days):

(a) to the war veterans: 20 lire;
(b) to every dependent child not over 15: 14 lire;
(c) for the wife and each child between the age of 15 and 18: 17 lire;
(d) for every child over 18 and for each parent totally unable to work and dependent on him: 17 lire.

There are in addition other occasional special allowances.

*Subsidies and Credits to Industry.*

47. From November 1944 to June 1946 (Decree of November 1944 No. 367. June 1945 No. 313, April 1946 No. 360 and June 1946 No. 562) credits for 20,000 million lire were granted to industry. The State guarantees the loans and pays the interest, up to 3 %, over a maximum period of four years. The loans are to be re-paid by the industries to the lending banks.

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TABLE 9

Italian Occupational Unemployment: Percentage for each Occupational group of Unemployment in each Region to Unemployment in the whole country in each occupational group: June 1946

| Regions | Agriculture | Industry | Commerce | Miscellaneous | Total |
|---|---|---|---|---|---|
| | % | % | % | % | % |
| Piedmont | 6.4 | 5.2 | 3.9 | 12.5 | 5.8 |
| Ligaria | 0.5 | 3.6 | 5.4 | 11.5 | 4.8 |
| Lombardy | 5.2 | 24.4 | 29.0 | 18.6 | 20.3 |
| Venezia Tridentina | 0.6 | 0.9 | 1.8 | 1.9 | 1.1 |
| Veneto | 6.5 | 18.5 | 11.2 | 7.1 | 14.1 |
| Emilia | 29.1 | 8.3 | 5.7 | 4.0 | 10.2 |
| NORTHERN ITALY | *52.5* | *60.9* | *58.0* | *55.6* | *56.3* |
| Tuscany | 2.0 | 7.8 | 13.8 | 10.7 | 8.0 |
| Marche | 1.6 | 2.8 | 1.5 | 1.4 | 2.3 |
| Umbria | 0.4 | 1.1 | 0.3 | 0.6 | 0.9 |
| Lazio | 3.5 | 4.0 | 11.1 | 0.6 | 3.9 |
| CENTRAL ITALY | *7.5* | *15.7* | *26.7* | *13.3* | *15.1* |
| Abruzzi and Molise | 6.4 | 3.8 | 1.4 | 1.3 | 3.5 |
| Campania | 9.8 | 5.7 | 8.1 | 22.0 | 9.3 |
| Puglie | 15.8 | 3.6 | 2.3 | 1.2 | 4.7 |
| Lucania | 2.0 | 0.4 | 0.2 | 0.3 | 0.6 |
| Calabria | 7.3 | 3.9 | 1.7 | 1.6 | 3.1 |
| SOUTHERN ITALY | *39.6* | *16.8* | *11.7* | *26.5* | *21.3* |
| Sicily | 6.5 | 5.4 | 11.6 | 4.3 | 5.8 |
| Sardinia | 2.9 | 1.2 | 2.0 | 0.3 | 1.3 |
| ITALIAN ISLANDS | *9.4* | *6.6* | *13.6* | *4.6* | *7.1* |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

48. About 200 firms have so far benefited from these loans. Legislative decree (1) No. 449 of 8 May 1946 provided a general rule for the granting of credits to industries (before that date every case was examined individually). The law-decree of 8 May 1946 provided that loans for the rehabilitation or reconversion of industries of a general character or of a special economic and social utility, must be granted through the Istituto Mobiliare Italiano (I.M.I. - Italian Institute for long-term loans). The I.M.I. can grant loans to those industries not contemplated in previous legislation (see

*Distribution of Land to Agricultural Workers.*

49. To alleviate the unemployment situation in agriculture, the Government decreed (19 Oct. 1944) that land should be given to associations of small farmers and workers (properly constituted into co-operative or other societies). The decree provides that such associations may obtain concessions of private or public land which is not under cultivation or which is insufficiently cultivated. Applications are granted by a Provincial Commission which preserves cultivation conditions. Rents are agreed between the landowner and the as-

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| Regions | Agriculture | Industry | Commerce | Miscellaneous | Total |
|---|---|---|---|---|---|
| | % | % | % | % | % |
| Piedmont | 6.1 | 5.2 | 3.9 | 12.5 | 5.8 |
| Liguria | 0.5 | 3.6 | 5.4 | 11.5 | 4.8 |
| Lombardy | 5.2 | 21.1 | 20.0 | 18.6 | 20.3 |
| Venezia Tridentina | 0.6 | 0.9 | 1.8 | 1.9 | 1.1 |
| Veneto | 6.7 | 18.5 | 11.2 | 7.1 | 14.1 |
| Emilia | 20.1 | 8.2 | 5.7 | 4.0 | 10.2 |
| NORTHERN ITALY | *42.5* | *60.2* | *48.0* | *55.6* | *56.5* |
| Tuscany | 2.0 | 7.8 | 13.8 | 10.7 | 8.0 |
| Marche | 1.6 | 2.8 | 1.5 | 1.4 | 2.3 |
| Umbria | 0.4 | 1.1 | 0.8 | 0.6 | 0.9 |
| Lazio | 3.5 | 4.0 | 11.1 | 6.6 | 3.9 |
| CENTRAL ITALY | *7.5* | *15.7* | *26.7* | *19.3* | *15.1* |
| Abruzzi and Molise | 8.4 | 3.8 | 1.4 | 1.3 | 3.5 |
| Campania | 9.6 | 5.7 | 8.1 | 22.0 | 9.3 |
| Puglie | 15.3 | 3.6 | 2.3 | 1.2 | 4.7 |
| Lucania | 2.0 | 0.4 | 0.2 | 0.2 | 0.8 |
| Calabria | 7.3 | 3.3 | 1.7 | 1.6 | 3.4 |
| SOUTHERN ITALY | *50.6* | *16.8* | *13.7* | *26.3* | *21.3* |
| Sicily | 6.5 | 5.4 | 11.6 | 4.3 | 5.8 |
| Sardinia | 2.9 | 1.2 | 2.0 | 0.3 | 1.3 |
| ITALIAN ISLANDS | *9.4* | *6.6* | *13.6* | *4.6* | *7.1* |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

48. About 200 firms have so far benefited from these loans. Legislative decree (1) No. 449 of 8 May 1946 provided a general rule for the granting of credits to industries (before that date every case was examined individually). The law-decree of 8 May 1946 provided that loans for the rehabilitation or reconversion of industries of a general character or of a special economic and social utility, must be granted through the Istituto Mobiliare Italiano (I.M.I - Italian Institute for long-term loans). The I.M.I. can grant loans to those industries not contemplated in previous legislation (see Decree No. 376 of November 1944 and later Decrees referred to in para. 37). I.M.I. is empowered to grant loans up to a total of 8,000 million lire.

(1) Legislative decrees are referred to as law-decrees hereafter.

*Distribution of Land to Agricultural Workers.*

49. To alleviate the unemployment situation in agriculture, the Government decreed (19 Oct. 1944) that land should be given to associations of small farmers and workers (properly constituted into co-operative or other societies). The decree provides that such associations may obtain concessions of private or public land which is not under cultivation or which is insufficiently cultivated. Applications are granted by a Provincial Commission which preserves cultivation conditions. Rents are agreed between the landowner and the association, the Commission intervening in the absence of agreement between the parties. Leases were to be for not more than four years. By 31 December 1945, 40,000 hectares of land had been granted under the provisions of the decree. Of this area, 22,000 hectares have been granted by prefect-decrees and 18,000 by

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agreements between the parties. Applications were made for a total of 136,000 hectares, mainly in Southern Italy. 1,119 applications have been accepted and 2,318 have been rejected. Under a revised decree of August 1916 the lease was extended to a maximum of nine years, or 20 years for timber land.

### *The Effect of UNRRA Operations on Employment in Italy.*

50. UNRRA has allocated for industrial rehabilitation more than 127 million dollars (excluding freight). UNRRA has given considerable assistance in the alleviation of unemployment, mostly by importing solid and liquid fuels and essential raw materials and by aiding the building industry. UNRRA has substantially contributed in this way to the reduction of unemployment. Had the importation of solid and liquid fuels been lacking, industry and transportation would have been almost completely idle. Unemployment would probably have risen to the equivalent of two thirds the total pre-war employment in industry and transport, in which 4.7 million persons are employed. The unemployed would have increased from the present 1.5 million (60 % of the 2.5 million as calculated in para. 26) to at least 3 million, and the net unemployment increase would have been 1.5 million workers (1).

51. Free food is given every day to about 2 million persons, i.e., children not over 15, expectant and nursing mothers. On 15 August 1946 UNRRA had distributed to Italians 3,935,378 clothing items and 792,148 pairs of shoes. By a law of 20 May 1946 it was provided that the works contemplated in the relief and reconstruction plans worked out jointly between the Italian Government and UNRRA were to be considered not only of a public utility character in their legal aspects but also as urgent and not to be postponed. One instance of the value of this cooperation may be seen in the additional labor given as a result of the allocation of the Lira Fund (2) to reconstructive work, to its influence in limiting inflation and thus of giving more buoyancy to the country's economy.

### *Emigration.*

52. In normal times, emigration has acted as a safety valve in reducing unemployment in overcrowded Italy. Even in normal times, when economic efficiency was [illegible] activities could not absorb the natural population growth of working age (equal to 400,000 persons per year) or even the young workers, who represent a valuable asset at home. America no longer provides Italy with the relief from economic pressure as was formerly the case. In the XIX century America afforded a ready outlet for Italian surplus labor which contributed much to the industrial and transportation development of the U.S. In the XX century however unemployment and fear by American labor of a reduction in living standards had caused restrictive measures to be taken. Italy's emigration from 1891 to 1940 is shown in the following table. The period of highest emigration was from 1901 to 1913. 1913 was the peak year—872,000 emigrants, 377,000 of whom went to U.S. After 1918 there was a sharp fall in emigration, particularly to overseas countries. This was the result of (a) fascist policy (which was strongly opposed to emigration), and (b) to the U.S. quota on immigration. From 1921 onwards emigration to overseas countries was less than to European countries. The emigration to European countries was mainly temporary and mainly to France. Official statistics show that for the first time in the history of Italian emigration there was, in the period 1931 to 1938, a surplus of repatriation over emigration. In the peak year, 1931, 125,000 more persons were repatriated than emigrated and in the lowest year, 1936, 42,000 persons.

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Italian Emigration : 1891-1940

| Yearly averages and peak year | Total | | To | | |
|---|---|---|---|---|---|
| | No. of emigrants | per 100,000 inhabitants | European countries | Extra-European countries | |
| | | | | Total | of whom to U.S.A. |
| 1891–1895 | 256,511 | 830.8 | 109,067 | 147,444 | 41,319 |
| (1891) | (293,631) | (964.1) | (106,056) | (187,575) | (44,359) |
| 1896–1900 | 310,435 | 972.3 | 148,534 | 161,901 | 61,546 |
| (1900) | (352,782) | (1,090.6) | (186,279) | (166,503) | (87,714) |
| 1901–1905 | 551,050 | 1,681.9 | 244,808 | 309,242 | 199,670 |
| (1905) | (726,331) | (2,188.2) | (279,248) | (447,083) | (316,797) |
| 1906–1910 | 651,288 | 1,908.6 | 257,594 | 393,694 | 266,220 |
| (1906) | (787,977) | (2,364.5) | (276,042) | (511,935) | (358,569) |
| 1911–1915 | 548,612 | 1,546.4 | 243,585 | 305,077 | 210,910 |
| (1913) | (872,598) | (2,463.6) | (313,032) | (559,566) | (376,776) |
| 1916–1920 | 217,001 | 595.9 | 95,751 | 121,247 | 102,416 |
| (1920) | (614,611) | (1,690.1) | (205,273) | (409,239) | (349,042) |
| 1921–1925 | 303,264 | 787.4 | 172,360 | 130,904 | 45,194 |
| (1923) | (389,957) | (1,012.7) | (205,273) | (184,684) | (51,740) |
| 1926–1930 | 212,245 | 528.5 | 122,872 | 89,373 | 32,529 |
| (1930) | (280,097) | (685.0) | (220,985) | (59,112) | (22,064) |

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*The Effect of UNRRA Operations on Employment in Italy.*

50. UNRRA has allocated for industrial rehabilitation more than 127 million dollars (excluding freight). UNRRA has given considerable assistance in the alleviation of unemployment, mostly by importing solid and liquid fuels and essential raw materials and by aiding the building industry. UNRRA has substantially contributed in this way to the reduction of unemployment. Had the importation of solid and liquid fuels been lacking, industry and transportation would have been almost completely idle. Unemployment would probably have risen to the equivalent of two thirds the total pre-war employment in industry and transport, in which 4.7 million persons are employed. The unemployed would have increased from the present 1.5 million (60 % of the 2.5 million as calculated in para. 26) to at least 3 million, and the net unemployment increase would have been 1.5 million workers (1).

51. Free food is given every day to about 2 million persons, i.e., children not over 15, expectant and nursing mothers. On 15 August 1946 UNRRA had distributed to Italians 3,935,378 clothing items and 792,148 pairs of shoes. By a law of 20 May 1946 it was provided that the works contemplated in the relief and reconstruction plans worked out jointly between the Italian Government and UNRRA were to be considered not only of a public utility character in their legal aspects but also as urgent and not to be postponed. One instance of the value of this cooperation may be seen in the additional labor given as a result of the allocation of the Lira Fund (2) to reconstructive work, to its influence in limiting inflation and thus of giving more buoyancy to the country's economy.

*Emigration.*

52. In normal times, emigration has acted as a safety valve in reducing unemployment in overcrowded Italy. Even in normal times, when economic efficiency was at its peak, industrial agricultural and commercial ac-

(1) See Health and Welfare Supplement to "Economic Notes" Vol. 1, No. 34, Table 27.

(2) For lira fund see supplement to "Economic Notes" Vol. I No. 31 p.p. 59-61.

the industrial and transportation development of the U.S. In the XX century however unemployment and fear by American labor of a reduction in living standards had caused restrictive measures to be taken. Italy's emigration from 1891 to 1940 is shown in the following table. The period of highest emigration was from 1901 to 1913. 1913 was the peak year—872,000 emigrants, 377,000 of whom went to U.S. After 1918 there was a sharp fall in emigration, particularly to overseas countries. This was the result of (a) fascist policy (which was strongly opposed to emigration), and (b) to the U.S. quota on immigration. From 1921 onwards emigration to overseas countries was less than to European countries. The emigration to European countries was mainly temporary and mainly to France. Official statistics show that for the first time in the history of Italian emigration there was, in the period 1931 to 1938, a surplus of repatriation over emigration. In the peak year, 1931, 125,000 more persons were repatriated than emigrated and in the lowest year, 1936, 42,000 persons.

5297

Italian Emigration: 1891-1940

| Yearly averages and peak year | Total | | To | | |
|---|---|---|---|---|---|
| | No. of emigrants | per 100,000 inhabitants | European countries | Extra-European countries | |
| | | | | Total | of whom to U.S.A. |
| 1891–1895 (1891) | 256,511 (293,631) | 830.8 (964.1) | 109,067 (106,056) | 147,444 (187,575) | 41,319 (44,359) |
| 1896–1900 (1900) | 310,435 (352,782) | 972.3 (1,090.6) | 148,534 (186,279) | 161,901 (166,503) | 61,546 (87,714) |
| 1901–1905 (1905) | 554,050 (726,331) | 1,681.9 (2,188.2) | 244,808 (279,248) | 309,242 (447,083) | 199,670 (316,797) |
| 1906–1910 (1906) | 651,288 (787,977) | 1,908.6 (2,364.5) | 257,594 (276,042) | 393,694 (511,935) | 266,220 (358,569) |
| 1911–1915 (1913) | 548,612 (872,598) | 1,546.4 (2,463.6) | 243,535 (313,032) | 305,077 (559,566) | 210,940 (376,776) |
| 1916–1920 (1920) | 217,001 (614,611) | 595.9 (1,690.1) | 95,754 (205,273) | 121,247 (409,239) | 102,416 (349,042) |
| 1921–1925 (1923) | 303,264 (389,957) | 787.4 (1,012.7) | 172,360 (205,273) | 130,904 (184,684) | 45,194 (51,740) |
| 1926–1930 (1930) | 212,245 (280,097) | 528.5 (685.0) | 122,872 (220,985) | 89,373 (59,112) | 32,529 (22,064) |
| 1931–1935 (1931) | 91,628 (165,860) | 218.6 (402.8) | 63,447 (125,079) | 28,181 (40,781) | 13,244 (16,351) |
| 1936–1940 (1938) | 48,901 (61,548) | 111.7 (140.6) | 29,172 (33,554) | 19,729 (27,994) | 9,683 (12,197) |

Source: Central Institute of Statistics, Rome.

53. The present slow rate of industrial, agricultural and commercial rehabilitation which results in large scale unemployment, make the emigration problem particularly urgent.

54. It will probably be some time before large scale emigration can be resumed. So far (August 1946) 50,000 miners have been requested by Belgium, but only a little over 10,000 men have left the country. France has asked for 20,000 miners, but the departure of these men has only just begun. Seasonal emigration to Switzerland will absorb about 6,500 persons in 1946. Czechoslovakia has asked for 5,000 labourers. Plans are being discussed for a large emigration to Brazil. The greater emphasis now placed in sparsely populated overseas countries on obtaining industrial workers, whereas formerly the emphasis was on agriculture, may offer opportunities in the next decade for a larger emigration of Italian population.

## *LABOR PROBLEMS*

### *Organization of Labor.*

55. Prior to fascism, Socialist Labor Unions in Italy claimed 2,200,000 members, Christian Labor Unions 1,000,000 and Syndicalist Unions 200,000.

56. Fascism dissolved all (then existing) trade associations and by the law of 3 April 1926, made legal recognition and Government authorization a pre-requisite for association. This recognition was reserved exclusively for fascist syndicates, which thus enjoyed a legal monopoly and had the exclusive privilege of concluding collective labor agreements. One of the requirements for the admission of members was "good political conduct." In December, 1938, membership of fascist syndicates was reported to be:

| | |
|---|---|
| Confederation of Agriculture . . . . . | 3,768,904 |
| .. .. Industry . . . . . | 3,097,403 |
| .. .. Commerce . . . . . | 569,725 |
| .. .. Banking & Insurance . . | 70,842 |
| .. .. Professional Workers . . | 162,139 |
| TOTAL . . . | 7,669,013 |

57. After the collapse of fascism the Confederazione Generale Italiana del Lavoro (C.G.I.L. - Italian General Italiana dei Lavoratori (C.I.L. - Italian Confederation of Workers), Catholic, founded in 1918. The new Confederation held its first general meeting in Naples in January, 1945, attended by 319 delegates representing 994,496 workers. Membership was then said to be 1,200,000. The aim of the organization is the unification of labor activities of socialists, communists and christian-democrats. A tripartite organization was, in fact, set up with three Joint Secretaries (one socialist, one communist, one christian-democrat).

58. This organization, named the Italian Confederation of Labor, with its main office in Rome, claimed as at 31 December 1945 a membership of 5,500,000. The trade unions represented by this Confederation relate to agriculture, industry, commerce, banking, insurance and the civil service.

59. The Confederation consists of groups of national labor trade federations, all having their main offices in Rome. The groups include the building industry, mines, quarries, metallurgic industry, aeronautical workers, agriculture, banking and schools. Within each federation there are labor trade unions (for instance within the agricultural workers' federation there are labor unions of agricultural migratory workers, of husbandmen and of agricultural assessors).

60. In each province there is a Chamber of Labor. Each provincial Chamber of Labor is responsible to the Confederation, although it is independent in its administrative services and staff matters. The provincial Chamber of Labor in turn consists of groups of provincial labor trade unions, which in the central organization make up the national labor trade federations.

61. To follow the chain still further, within each province there are Camere del Lavoro Circondariali o Mandamentali (County Chambers of Labor) which are responsible to the provincial Chambers of Labor, while lower down communal Chambers of Labor (grouping the labor trade unions in the communal area) are responsible to the County Chambers of Labor. Affiliation to these County Chambers of Labor is optional and some unions have remained outside the organization.

62. These independent unions are comparatively small in membership and importance, one of the largest being the Unione Sindacale Italiana dei Lavoratori (U.S.I.L. - Union Syndicate of Laborers) in Rome, with an alleged membership of 300,000. Members of this

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miners have been requested by Belgium, but only a little over 10,000 men have left the country. France has asked for 20,000 miners, but the departure of these men has only just begun. Seasonal emigration to Switzerland will absorb about 6,500 persons in 1946. Czechoslovakia has asked for 5,000 labourers. Plans are being discussed for a large emigration to Brazil. The greater emphasis now placed in sparsely populated overseas countries on obtaining industrial workers, whereas formerly the emphasis was on agriculture, may offer opportunities in the next decade for a larger emigration of Italian population.

## *LABOR PROBLEMS*

### *Organization of Labor.*

55. Prior to fascism, Socialist Labor Unions in Italy claimed 2,200,000 members, Christian Labor Unions 1,000,000 and Syndicalist Unions 200,000.

56. Fascism dissolved all (then existing) trade associations and by the law of 3 April 1926, made legal recognition and Government authorization a pre-requisite for association. This recognition was reserved exclusively for fascist syndicates, which thus enjoyed a legal monopoly and had the exclusive privilege of concluding collective labor agreements. One of the requirements for the admission of members was "good political conduct." In December, 1938, membership of fascist syndicates was reported to be:

| | |
|---|---|
| Confederation of Agriculture . . . . . | 3,768,904 |
| .. .. Industry . . . . . | 3,097,403 |
| .. .. Commerce . . . . . | 569,725 |
| .. .. Banking & Insurance . . | 70,842 |
| .. .. Professional Workers . . | 162,139 |
| TOTAL . . . | 7,669,013 |

57. After the collapse of fascism the Confederazione Generale Italiana del Lavoro (C.G.I.L. - Italian General Confederation of Labor) was established at Bari on 21 January 1944, as an amalgamation of two labor organizations which had existed before the fascist regime, i.e. the Confederazione Generale del Lavoro (C.G.L. - General Confederation of Labor), Socialist-Communist, founded in 1906, and the Confederazione christian-democrats. A tripartite organization was, in fact, set up with three Joint Secretaries (one socialist, one communist, one christian-democrat).

58. This organization, named the Italian Confederation of Labor, with its main office in Rome, claimed as at 31 December 1945 a membership of 5,500,000. The trade unions represented by this Confederation relate to agriculture, industry, commerce, banking, insurance and the civil service.

59. The Confederation consists of groups of national labor trade federations, all having their main offices in Rome. The groups include the building industry, mines, quarries, metallurgic industry, aeronautical workers, agriculture, banking and schools. Within each federation there are labor trade unions (for instance within the agricultural workers' federation there are labor unions of agricultural migratory workers, of husbandmen and of agricultural assessors).

60. In each province there is a Chamber of Labor. Each provincial Chamber of Labor is responsible to the Confederation, although it is independent in its administrative services and staff matters. The provincial Chamber of Labor in turn consists of groups of provincial labor trade unions, which in the central organization make up the national labor trade federations.

61. To follow the chain still further, within each province there are Camere del Lavoro Circondariali o Mandamentali (County Chambers of Labor) which are responsible to the provincial Chambers of Labor, while lower down communal Chambers of Labor (grouping the labor trade unions in the communal area) are responsible to the County Chambers of Labor. Affiliation to these County Chambers of Labor is optional and some unions have remained outside the organization.

62. These independent unions are comparatively small in membership and importance, one of the largest being the Unione Sindacale Italiana dei Lavoratori (U.S.I.L. - Union Syndicate of Laborers) in Rome, with an alleged membership of 300,000. Members of this organization are mainly from southern Italy. The trade most represented is that of agricultural worker and market gardener.

63. In January 1946, a confederation of civil servants was instituted with main offices in Rome.

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64. "Coltivatori diretti" (small holders, farm lessees, etc.) got together in two associations: Confederazione Nazionale dei Coltivatori Diretti (C.N.C.D. - National Confederation of Small Holders), Federazione Italiana Coltivatori Diretti (F.I.C.D. - Italian Federation of Small Holders).

## *AGREEMENTS*

65. With the dissolution of the fascist labor unions and the growth of the new Unions, it has become important to find a solution to the wage problem, applicable to the whole of Italy. Previously, overall policies were not in force. Such agreements as were in existence covered particular trades or branches of industry.

*Industry:*

(a) *Agreements for Salary Adjustments.*

66. During the German occupation and the first period of the liberation of Italian territory, salaries of industrial workers had become more and more differentiated from province to province and from locality to locality. This differentiation was partly due to the deterioration since the war in transportation and communications. There was also a pressing necessity to raise wages owing to the ever-increasing cost of living. Some increase had taken place, but at rates differing from place to place and from industry to industry. These salary differences brought about numerous labor disputes.

67. To overcome this dangerous situation, an agreement for Northern Italy was arrived at between employers and workers in December 1945 and another agreement for Central and Southern Italy in May 1946.

68. The December 1945 agreement, which aimed at granting the worker a living wage, provided broadly for:

(a) uniformity of wages and salaries throughout the North of Italy (traditional differentiations as between trades and districts being maintained);

(b) a yardstick against which wages could be automatically revised and kept in line with the cost of Northern Italy. Categories of workers were also split into groups ("A," "B" and "C") according to the industry in which they were employed.

70. The following table shows the wages per hour, in lire, applied from December 1945 to each type of worker in the three areas for each group.

TABLE 10

Minimum wages (excluding allowances) paid per hour in Lire for men workers over 20 in Northern Italy 1946

| Group | Area (5) | Skilled workers (1) | Semi-skilled workers (2) | Unskilled workers (3) | Laborers (4) |
|---|---|---|---|---|---|
| A | 1 | 21.00 | 19.00 | 17.90 | 16.50 |
| | 2 | 19.75 | 17.85 | 16.85 | 15.50 |
| | 3 | 18.70 | 16.90 | 15.95 | 14.70 |
| B | 1 | 20.00 | 17.90 | 17.00 | 15.60 |
| | 2 | 18.80 | 16.85 | 16.00 | 14.65 |
| | 3 | 17.80 | 16.20 | 15.15 | 14.00 |
| C | 1 | 19.00 | 17.00 | 16.50 | 14.80 |
| | 2 | 17.85 | 16.00 | 15.20 | 14.00 |
| | 3 | 16.90 | 15.15 | 14.40 | 14.00 |

Source: Confederazione Generale dell' Industria Italiana.

(1) Specializzati.
(2) Qualificati.
(3) Manovali specializzati.
(4) Manovali comuni.
(5) Northern Area 1 - Milan, Genoa, Turin, Area 2 - Bologna, Savona, La Spezia, etc. Area 3 - Reggio Emilia, Verona, etc.

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Workers in the following trades fall within the following groups (see Table 10):

Group A: mechanical, building, wood industries, etc.
,, B: rubber manufacturing, tanning chemical industries, etc.
,, C: paper, brush and clothing industries, etc.

71. The scale in Table 10, was not firm. Provision was made for variations according to the ages and classes of employees. For instance, male workers between 18 and 20 years of age received wages 10 % lower than those indicated in the Table while male workers from 16 to 18 years of age and female workers of over 18 years are provided for at 30 % lower rates than the scale indicated.

72. The automatic revision of wages was provided for by the granting of "daily [illegible] allowances," vari-

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65. With the dissolution of the fascist labor unions and the growth of the new Unions, it has become important to find a solution to the wage problem, applicable to the whole of Italy. Previously, overall policies were not in force. Such agreements as were in existence covered particular trades or branches of industry.

*Industry:*

(a) *Agreements for Salary Adjustments.*

66. During the German occupation and the first period of the liberation of Italian territory, salaries of industrial workers had become more and more differentiated from province to province and from locality to locality. This differentiation was partly due to the deterioration since the war in transportation and communications. There was also a pressing necessity to raise wages owing to the ever-increasing cost of living. Some increase had taken place, but at rates differing from place to place and from industry to industry. These salary differences brought about numerous labor disputes.

67. To overcome this dangerous situation, an agreement for Northern Italy was arrived at between employers and workers in December 1945 and another agreement for Central and Southern Italy in May 1946.

68. The December 1945 agreement, which aimed at granting the worker a living wage, provided broadly for:

(a) uniformity of wages and salaries throughout the North of Italy (traditional differentiations as between trades and districts being maintained);

(b) a yardstick against which wages could be automatically revised and kept in line with the cost of living.

69. To this end the original wage agreement split the northern territories into areas designated "1," "2" and "3," the first covering Milan, Genoa and Turin and the second and third covering the remaining portions

in the three areas for each group.

TABLE 10

Minimum wages (excluding allowances) paid per hour in Lire for men workers over 20 in Northern Italy 1946

| Group | Area (5) | Skilled workers (1) | Semi-skilled workers (2) | Unskilled workers (3) | Laborers (4) |
|---|---|---|---|---|---|
| A | 1 | 21.00 | 19.00 | 17.90 | 16.50 |
| | 2 | 19.75 | 17.85 | 16.85 | 15.50 |
| | 3 | 18.70 | 16.90 | 15.95 | 14.70 |
| B | 1 | 20.00 | 17.90 | 17.00 | 15.60 |
| | 2 | 18.80 | 16.85 | 16.00 | 14.65 |
| | 3 | 17.80 | 16.20 | 15.15 | 14.00 |
| C | 1 | 19.00 | 17.00 | 16.50 | 14.80 |
| | 2 | 17.85 | 16.00 | 15.20 | 14.00 |
| | 3 | 16.90 | 15.15 | 14.40 | 14.00 |

Source: Confederazione Generale dell' Industria Italiana.

(1) Specializzati.
(2) Qualificati.
(3) Manovali specializzati.
(4) Manovali comuni.
(5) Northern Area 1 - Milan, Genoa, Turin. Area 2 - Bologna, Savona, La Spezia, etc. Area 3 - Reggio Emilia, Verona, etc.

Workers in the following trades fall within the following groups (see Table 10):

Group A: mechanical, building, wood industries, etc.
" B: rubber manufacturing, tanning chemical industries, etc.
" C: paper, brush and clothing industries, etc.

71. The scale in Table 10, was not firm. Provision was made for variations according to the ages and classes of employees. For instance, male workers between 18 and 20 years of age received wages 10 % lower than those indicated in the Table while male workers from 16 to 18 years of age and female workers of over 18 years are provided for at 30 % lower rates than the scale indicated.

72. The automatic revision of wages was provided for by the granting of "daily emergency allowances," variable each three months in relation to the provincial cost of living indices. These "emergency allowances" were originally set at between 85 and 107 lire per day, dependent upon the type of workers, with additional allowances for heads of families and workers with dependents.

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73. A clause of the agreement stated that "should women be employed for work usually performed by male labor, and should conditions of work and output both for quality and quantity be equal, wages shall also be equal." For piece work an equal scale of pay is applicable to males and females.

74. The labor agreement made on 23 May 1946 for Central and Southern Italy was similar to that agreed for Northern Italy. Minimum hourly rates are:

TABLE 11

Minimum wages (excluding allowances) paid per hour in lire for workers over 20 in Central and Southern Italy - as from May 1946

| Group (1) | Area (2) | Skilled workers | Semi skilled worker | Unskilled workers not qualified as semi-skilled | Laborers |
|---|---|---|---|---|---|
| | | lire | lire | lire | lire |
| A | 1 | 24.00 | 19.00 | 17.90 | 16.50 |
| | 2 | 19.75 | 17.85 | 16.85 | 15.50 |
| | 3 | 18.70 | 16.90 | 15.95 | 14.70 |
| | 4 | 18.05 | 16.35 | 15.40 | 14.20 |
| B | 1 | 20.00 | 18.10 | 17.05 | 15.70 |
| | 2 | 18.80 | 17.00 | 16.05 | 14.75 |
| | 3 | 17.80 | 16.10 | 15.20 | 14.00 |
| | 4 | 17.20 | 15.55 | 14.65 | 14.00 |
| C | 1 | 19.00 | 17.20 | 16.20 | 14.90 |
| | 2 | 17.85 | 16.15 | 15.25 | 14.00 |
| | 3 | 16.90 | 15.30 | 14.40 | 14.00 |
| | 4 | 16.35 | 14.80 | 14.20 | 14.00 |

(1) For categories see para 52.
(2) Area 1 - Naples, Rome.
» 2 - Ancona, Bari, Firenze, Palermo.
» 3 - Brindisi, Cagliari, Caserta, Catania, Chieti, Cosenza, Frosinone, L'Aquila, Perugia, Pescara.
» 4 - Agrigento, Ascoli Piceno, Caltanissetta, Pesaro Potenza, Reggio Calabria, Siracusa.

75. In the wages agreement for Central and Southern Italy it is stated that the wages are made up of three elements:

(a) minimum rate as in Table 11:

(b) an "emergency" allowance, variable with the cost of living. The basis of the daily "indennità di contingenza" (emergency allowance) is from 100 to 135 lire per day. The payment of the allowance is made on the first day of January, April, July and October. The value 100

(c) an "eventuale terzo elemento" which the worker receives for actual attendance at the factory or office. The "eventuale terzo elemento" represents the difference between total payments (allowances for attendance at works, etc.) and the "emergency" allowance.

76. Minimum monthly salaries have also been agreed for employees according to four areas and three categories. The minimum salaries for men over 21 are 11,560 lire per month for clerks, 9,265 lire for the second category (foremen, etc.) and 6,800 lire for skilled workers.

77. On resignation an employee is entitled to a "separation" bonus. Workers who have five years service receive half the bonus; those having from 5 to 10 years three quarters of the full bonus for which workers having more than 10 years service are eligible. Women employees receive the full bonus on leaving employment for reason of marriage. Pregnant and nursing mothers unable to continue in employment also receive the full bonus.

78. The agreement for Central and Southern Italy also regulates the conditions of work for those special or intermediate categories of workers who may be classed as between manual and clerical labor, e.g. supervisers of mines, textile operatives, overseers, timekeepers, chief porters and chief messengers. For these employees four areas and two categories are established, with a minimum wage scale (exclusive of bonuses) ranging from 9,265 lire to 7,310 lire per month for men of 21 and over in the more responsible positions, i.e. in the higher of the two categories.

79. The agreement has evened out the wage differences that existed from one region to another, i.e., it has increased wages in Central and Southern Italy where, for economic and social reasons, wages were always substantially lower than in Northern Italy. This wage increase in Central and Southern Italy may have far reaching effects, since it may on a short term view hinder the development of industries in Southern Italy and worsen their competitive position when compared with industries in Northern Italy. This inferiority is in large part due to less efficient industrial facilities and to the smaller size of industrial factories in Southern Italy. To appreciate the effects of the levelling of wage differences (see Tables 10 and 11) it should be borne in mind that substantial wage differences existed, previously, between minimum wages for the same classes of industries in cities North of Rome (Turin and

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is applicable to males and females.

74. The labor agreement made on 23 May 1946 for Central and Southern Italy was similar to that agreed for Northern Italy. Minimum hourly rates are:

TABLE 11

Minimum wages (excluding allowances) paid per hour in lire for workers over 20 in Central and Southern Italy - as from May 1946

| Group (1) | Area (2) | Skilled workers | Semi skilled worker | Unskilled workers not qualified as semi-skilled | Laborers |
|---|---|---|---|---|---|
| | | lire | lire | lire | lire |
| A | 1 | 21.00 | 19.00 | 17.50 | 16.50 |
| | 2 | 19.75 | 17.85 | 16.45 | 15.50 |
| | 3 | 18.70 | 16.90 | 15.95 | 14.70 |
| | 4 | 18.05 | 16.35 | 15.10 | 14.20 |
| B | 1 | 20.00 | 18.10 | 17.05 | 15.70 |
| | 2 | 18.80 | 17.00 | 16.05 | 14.75 |
| | 3 | 17.80 | 16.10 | 15.20 | 14.00 |
| | 4 | 17.20 | 15.55 | 14.65 | 14.00 |
| C | 1 | 19.00 | 17.20 | 16.20 | 14.90 |
| | 2 | 17.85 | 16.15 | 15.25 | 14.00 |
| | 3 | 16.90 | 15.30 | 14.40 | 14.00 |
| | 4 | 16.35 | 14.80 | 14.20 | 14.00 |

(1) For categories see para 52.
(2) Area 1 - Naples, Rome.
» 2 - Ancona, Bari, Firenze, Palermo.
» 3 - Brindisi, Cagliari, Caserta, Catania, Chieti, Cosenza, Frosinone, L'Aquila, Perugia, Pescara.
» 4 - Agrigento, Ascoli Piceno, Caltanissetta, Pesaro Potenza, Reggio Calabria, Siracusa.

75. In the wages agreement for Central and Southern Italy it is stated that the wages are made up of three elements:

(a) minimum rate as in Table 11;

(b) an "emergency" allowance, variable with the cost of living. The basis of the daily "indennità di contingenza" (emergency allowance) is from 100 to 135 lire per day. The payment of the allowance is made on the first day of January, April, July and October. The value 100 corresponds to the average cost of living for a family on the 1st January. For each variation of 1 % of the cost of living index, the special allowance paid to workers above 20 years of age is increased or diminished by 2 % and for other workers 1.75 %;

the "emergency" allowance.

76. Minimum monthly salaries have also been agreed for employees according to four areas and three categories. The minimum salaries for men over 21 are 11,560 lire per month for clerks, 9,265 lire for the second category (foremen, etc.) and 6,800 lire for skilled workers.

77. On resignation an employee is entitled to a "separation" bonus. Workers who have five years service receive half the bonus; those having from 5 to 10 years three quarters of the full bonus for which workers having more than 10 years service are eligible. Women employees receive the full bonus on leaving employment for reason of marriage. Pregnant and nursing mothers unable to continue in employment also receive the full bonus.

78. The agreement for Central and Southern Italy also regulates the conditions of work for those special or intermediate categories of workers who may be classed as between manual and clerical labor, e.g. supervisers of mines, textile operatives, overseers, timekeepers, chief porters and chief messengers. For these employees four areas and two categories are established, with a minimum wage scale (exclusive of bonuses) ranging from 9,265 lire to 7,310 lire per month for men of 21 and over in the more responsible positions, i.e. in the higher of the two categories.

79. The agreement has evened out the wage differences that existed from one region to another, i.e., it has increased wages in Central and Southern Italy where, for economic and social reasons, wages were always substantially lower than in Northern Italy. This wage increase in Central and Southern Italy may have far reaching effects, since it may on a short term view hinder the development of industries in Southern Italy and worsen their competitive position when compared with industries in Northern Italy. This inferiority is in large part due to less efficient industrial facilities and to the smaller size of industrial factories in Southern Italy. To appreciate the effects of the levelling of wage differences (see Tables 10 and 11) it should be borne in mind that substantial wage differences existed, previously, between minimum wages for the same classes of industries in cities North of Rome (Turin and Milan) and in other cities South of Rome (Naples, Taranto, etc.) Table 12 shows that in March 1946, prior to the levelling agreement, wage differences between Milan and Provinces of Southern Italy were, in many cases, as high as 40 %.

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TABLE 12

## Minimum Daily Contract Pay in lire for workers in Italy: March 1946

Index numbers (Salaries in Milan = 100)

| Type of Industry | Turin | Milan | Rome | Naples | Taranto | Reggio Calabria | Enna | Sassari |
|---|---|---|---|---|---|---|---|---|
| **1. SPECIALIZED WORKERS** | | | | | | | | |
| Wood | 105.4 | 100.0 | 110.4 | 62.4 | 63.7 | 56.2 | — | 52.6 |
| Pasta | 98.7 | 100.0 | 99.2 | 79.1 | 56.0 | — | 63.6 | — |
| Mechanical | 98.8 | 100.0 | 98.0 | 91.0 | 68.8 | — | — | 53.7 |
| Building | 105.1 | 100.0 | 121.6 | 94.7 | 92.9 | 100.0 | — | 83.5 |
| Chemical | 98.8 | 100.0 | 93.8 | 78.6 | 59.7 | 77.1 | 72.4 | 49.5 |
| Printing | 100.0 | 100.0 | 93.6 | — | 54.8 | 79.5 | 53.7 | 61.0 |
| Leather and shoes | 99.3 | 100.0 | — | 62.5 | 59.8 | — | — | 50.3 |
| Transport | 78.2 | 100.0 | 72.2 | — | 59.4 | 42.7 | 60.8 | — |
| **2. SKILLED WORKERS** | | | | | | | | |
| Wood | 103.7 | 100.0 | 105.6 | 61.2 | 62.8 | 55.9 | — | 50.8 |
| Pasta | 98.7 | 100.0 | — | 79.8 | 57.3 | — | 62.6 | — |
| Mechanical | 98.7 | 100.0 | 95.9 | 88.3 | 67.0 | — | — | 48.7 |
| Building | 100.8 | 100.0 | 119.2 | 86.8 | 92.2 | 84.2 | 55.7 | 81.9 |
| Chemical | 99.0 | 100.0 | 91.5 | 79.5 | 60.4 | — | 69.2 | 49.0 |
| Printing | 99.1 | 100.0 | 91.6 | — | 53.4 | 72.6 | 52.4 | 60.8 |
| Leather and shoes | 99.5 | 100.0 | — | 64.6 | 58.1 | — | — | 49.5 |
| Transport | 82.8 | 100.0 | — | — | 51.5 | 45.7 | 65.7 | — |
| **3. UNSKILLED WORKERS** | | | | | | | | |
| Wood | 102.4 | 100.0 | 100.8 | 61.7 | 61.1 | 57.1 | — | 49.7 |
| Pasta | 98.7 | 100.0 | 100.8 | 81.3 | 56.3 | — | — | — |
| Mechanical | 98.7 | 100.0 | 92.5 | 85.2 | 67.5 | — | — | 47.8 |
| Building | 102.2 | 100.0 | 117.5 | — | 85.8 | — | 68.0 | 52.0 |
| Chemical | 98.7 | 100.0 | 91.0 | 79.1 | — | — | 68.3 | 48.1 |
| Printing | 95.7 | 100.0 | 86.3 | — | 51.7 | 68.3 | 71.6 | 58.9 |
| Leather and shoes | 99.2 | 100.0 | — | 62.5 | 56.1 | — | — | 49.5 |
| Transport | 84.1 | 100.0 | 81.8 | — | 51.6 | 45.7 | — | — |

Source: Central Statistical Institute, Rome.

(b) *Salary Agreements for Industrial Executives.*

80. After negotiation between the "Confederazione Generale dell'Industria Italiana" (General Confederation

(a) in the case of discharge by the employer the executive (e.g. managers and sub-managers) will be paid an indemnity fixed as follows:

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| Type of Industry | Turin | Milan | Rome | Naples | Taranto | Reggio Calabria | Enna | Sassari |
|---|---|---|---|---|---|---|---|---|
| **1. SPECIALIZED WORKERS** | | | | | | | | |
| Wood | 105.4 | 100.0 | 110.4 | 62.4 | 63.7 | 56.2 | — | 52.6 |
| Pasta | 98.7 | 100.0 | 99.2 | 79.1 | 56.0 | — | 63.6 | — |
| Mechanical | 98.8 | 100.0 | 98.0 | 91.0 | 68.8 | — | — | 53.7 |
| Building | 105.1 | 100.0 | 121.6 | 94.7 | 92.9 | 100 0 | — | 83.5 |
| Chemical | 98.8 | 100.0 | 93.8 | 78.6 | 59.7 | 77.1 | 72.4 | 49.5 |
| Printing | 100.0 | 100.0 | 93.6 | — | 54.8 | 79.5 | 53.7 | 61.0 |
| Leather and shoes | 99.3 | 100.0 | — | 62.5 | 59.8 | — | — | 50.3 |
| Transport | 78.2 | 100.0 | 72.2 | — | 50.4 | 42.7 | 60.8 | — |
| **2. SKILLED WORKERS** | | | | | | | | |
| Wood | 103.7 | 100.0 | 105.6 | 61.2 | 62.8 | 55.9 | — | 50.8 |
| Pasta | 98.7 | 100.0 | — | 79.8 | 57.3 | — | 62.6 | — |
| Mechanical | 98.7 | 100.0 | 95.9 | 88.3 | 67.0 | — | — | 48.7 |
| Building | 100.8 | 100.0 | 119.2 | 86.8 | 92.2 | 84.2 | 55.7 | 81.0 |
| Chemical | 99.0 | 100.0 | 91.5 | 79.5 | 60.4 | — | 69.2 | 48.0 |
| Printing | 99.1 | 100.0 | 91.6 | — | 53.4 | 72.6 | 52.4 | 60.8 |
| Leather and shoes | 99.5 | 100.0 | — | 64.6 | 58.1 | — | — | 49.5 |
| Transport | 82.8 | 100.0 | — | — | 51.5 | 45 7 | 65.7 | — |
| **3. UNSKILLED WORKERS** | | | | | | | | |
| Wood | 102.4 | 100.0 | 100.8 | 61.7 | 61.1 | 57.1 | — | 49.7 |
| Pasta | 98.7 | 100.0 | 100.8 | 81.3 | 56.3 | — | — | — |
| Mechanical | 98.7 | 100.0 | 92.5 | 85 2 | 67.5 | — | — | 47.8 |
| Building | 102.2 | 100.0 | 117.5 | — | 85.8 | — | 68.0 | 52.0 |
| Chemical | 98.7 | 100.0 | 91.0 | 79.1 | — | — | 68.3 | 48.1 |
| Printing | 95.7 | 100.0 | 86.3 | — | 51.7 | 68.3 | 71.6 | 58.9 |
| Leather and shoes | 99.2 | 100.0 | — | 62.5 | 56.1 | — | — | 49 5 |
| Transport | 84.1 | 100.0 | 81.8 | — | 51.6 | 45.7 | — | — |

Source: Central Statistical Institute, Rome.

(b) *Salary Agreements for Industrial Executives.*

80. After negotiation between the "Confederazione Generale dell'Industria Italiana" (General Confederation of Italian Industry) and the "Associazione Nazionale dei Dirigenti di Aziende Industriali" (National Association of Executives of Industrial Firms) an agreement was reached on 26 May 1946 by which some provisions of the national collective labor contract of 28 October 1937 were modified. The main provisions of this 1937 collective contract were:

(a) in the case of discharge by the employer the executive (e.g. managers and sub-managers) will be paid an indemnity fixed as follows:

(i) for each year of employment, up to 10 years service, a sum equal to the last month's pay;

(ii) 1 ½ month's pay for each year after the tenth year.

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In the pay are included all sums due regularly, such as commission premiums for output and other sums not of a fixed amount, except sums paid for reimbursement of expenses. Exceptional bonuses are also not included. The shares in the profits and the bonuses must, over a year, not exceed a year's pay as calculated above. The pay includes also the money equivalent of room and board which may have been provided to the executive;

(b) in case of resignation the resigning executive—of whatever age or seniority—is entitled to a retirement bonus equal to the amount he would have received if discharged (previously the executive was entitled to a leaving bonus only if over 60 years of age and with at least 30 years of service);

(c) the employer's contribution to the "Cassa di previdenza" (Provident Fund) for executives was raised from 7 per cent to 11 per cent of the salary. The contribution paid by the executive remained unchanged at 4 %. The maximum yearly salary on which these percentages are calculated is 550,000 lire.
Provident funds have become increasingly important as a security fund for office workers. The Provident Funds are quite separate from the "discharge" fund.

*Agriculture* (Métayers).

81. In 1946 the position of the métayers has given rise to difficulty. The métayers number about 1.8 million out of the 8.7 million workers engaged in agriculture and therefore represent over 20 % of the agricultural workers. Métayers are mainly concentrated in Emilia, Tuscany, Umbria and Veneto. Métayage is a very ancient institution. In its classical form it can be summed up in the formula: half the produce as rent to the landowner, who provides seed and livestock, and half to the métayer or husbandman. The trade union of métayers pressed for a larger share of the total produce. Since no satisfactory solution of the dispute could be reached, the General Confederation of Labor empowered the President of the Council of Ministers, Mr. De Gasperi, to arbitrate on the question. Mr. De Gasperi was not, however, empowered to arbitrate on [illegible] the Confederazione Ita-

duction remain in force, the landlords should pay the métayers as compensation for war damage suffered by the métayers, and for the additional expense of farming in wartime, a sum equal to the value of 24 % of the landlord's share of the gross production in an agricultural year. To restore greater productivity of the farm, 10 % of the landlord's share for 1946 must be set aside for farm improvement to be carried out in 1946 by casual agricultural labor. If the work is done by the métayers themselves, they are entitled to payment according to the wage scale for casual labor.

83. Cattle taken by the Germans or lost on account of the war would, under the award, be considered as sold at the price prevailing at the time of the loss and should be credited to farmer against his share. The landlord must replace the cattle by 1 October 1946.

84. Although the award has not yet been accepted by the Italian Confederation of Farmers it represents an advance in the solution of an important difference. A new principle has been inserted in agricultural labor contracts in the introduction of an obligation for farm rehabilitation, the funds being drawn from farm revenues.

*Disputes.*

85. Labor disputes are generally settled through trade unions and through the Ministry of Labor and Social Security Labor Offices. In more serious cases the Government intervenes to settle disputes, as for instance in the métayage award (see para. 81), the "premium of the Republic" (see para. 23), the dismissal of workers (see para. 38).

86. Table 13 shows for the first six months of 1946 the number of individual and collective disputes brought to the Provincial Labor Offices of the Veneto, Venezia Tridentina, Piedmont, Emilia, Marche and Abruzzi regions. These are the only post-war data at present available.

87. Table 13 refers mainly to differences in which the Labor Unions were not concerned. The present situation is that not all employees and not all employers are members of Labor Unions or Employers Confederations, respectively. Also those Unions and organizations now existing have as yet no legal recognition. Therefore it is possible for any one employer or laborer not to comply with the decision of the Labor or Employers [illegible] This makes the settlement of differences

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not exceed a year's pay as calculated above. The pay includes also the money equivalent of room and board which may have been provided to the executive:

(b) in case of resignation the resigning executive—of whatever age or seniority—is entitled to a retirement bonus equal to the amount he would have received if discharged (previously the executive was entitled to a leaving bonus only if over 60 years of age and with at least 30 years of service):

(c) the employer's contribution to the "Cassa di previdenza" (Provident Fund) for executives was raised from 7 per cent to 11 per cent of the salary. The contribution paid by the executive remained unchanged at 4 %. The maximum yearly salary on which these percentages are calculated is 550,000 lire.

Provident funds have become increasingly important as a security fund for office workers. The Provident Funds are quite separate from the "discharge" fund.

*Agriculture* (Métayers).

81. In 1946 the position of the métayers has given rise to difficulty. The métayers number about 1.8 million out of the 8.7 million workers engaged in agriculture and therefore represent over 20 % of the agricultural workers. Métayers are mainly concentrated in Emilia, Tuscany, Umbria and Veneto. Métayage is a very ancient institution. In its classical form it can be summed up in the formula: half the produce as rent to the landowner, who provides seed and livestock, and half to the métayer or husbandman. The trade union of métayers pressed for a larger share of the total produce. Since no satisfactory solution of the dispute could be reached, the General Confederation of Labor empowered the President of the Council of Ministers, Mr. De Gasperi, to arbitrate on the question. Mr. De Gasperi was not, however, empowered to arbitrate on behalf of the landowners, i.e. the Confederazione Italiana degli Agricoltori (CONFIDA - Italian Confederation of Farmers).

82. The award of the President of the Council of Ministers was made at the end of June 1946. While the present métayage contract and the division of pro-

farm, 10 % of the landlord's share for 1946 must be set aside for farm improvement to be carried out in 1946 by casual agricultural labor. If the work is done by the métayers themselves, they are entitled to payment according to the wage scale for casual labor.

83. Cattle taken by the Germans or lost on account of the war would, under the award, be considered as sold at the price prevailing at the time of the loss and should be credited to farmer against his share. The landlord must replace the cattle by 1 October 1946.

84. Although the award has not yet been accepted by the Italian Confederation of Farmers it represents an advance in the solution of an important difference. A new principle has been inserted in agricultural labor contracts in the introduction of an obligation for farm rehabilitation, the funds being drawn from farm revenues.

*Disputes.*

85. Labor disputes are generally settled through trade unions and through the Ministry of Labor and Social Security Labor Offices. In more serious cases the Government intervenes to settle disputes, as for instance in the métayage award (see para. 81), the "premium of the Republic" (see para. 23), the dismissal of workers (see para. 38).

86. Table 13 shows for the first six months of 1946 the number of individual and collective disputes brought to the Provincial Labor Offices of the Veneto, Venezia Tridentina, Piedmont, Emilia, Marche and Abruzzi regions. These are the only post-war data at present available.

87. Table 13 refers mainly to differences in which the Labor Unions were not concerned. The present situation is that not all employees and not all employers are members of Labor Unions or Employers Confederations, respectively. Also those Unions and organizations now existing have as yet no legal recognition. Therefore it is possible for any one employer or laborer not to comply with the decision of the Labor or Employers Organizations. This makes the settlement of differences the more difficult.

88. The differences shown in Table 13 have arisen out of existing labor agreements. In spite of the difficult times through which Italy is now passing, conflicts in

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TABLE 13

Number of differences i.e maladjustments in employment relations between workers and employers arising out of existing labor agreements in the Italian provinces of Veneto, Venezia Tridentina, Piedmont, Emilia, Marche and Abruzzi : January to June 1946

| 1946 | No. of disputes not settled or considered at beginning of the month | No. of fresh disputes in the month | Disputes relating to existing agreements | | | |
|---|---|---|---|---|---|---|
| | | | Settled mutually during the month | Unsettled | Withdrawn | Number settled by arbitration |
| June | 818 | 799 | 527 | 133 | 74 | — |
| May | 913 | 1,122 | 569 | 150 | 119 | — |
| January | 1,197 | 872 | 631 | 172 | 110 | — |
| April | 1,156 | 639 | 513 | 162 | 119 | — |
| February | 999 | 839 | 500 | 151 | 119 | 1 |
| March | 1,087 | 769 | 427 | 171 | 101 | 3 |
| Total for first half year 1946 | 6,180 | 5,018 | 3,167 | 939 | 642 | 4 |

• Source : Provincial Labor Offices of the Ministry of Labor (Uffici Provinciali del Lavoro).

industrial relations and strikes have not been prolonged. The absence of important strikes in the first half of 1946 may partly be explained by the postponement of block dismissal of employees (see para. 40). From July to September 1946 there were some serious strikes and unrest among industrial and transportation workers and civil servants. This was due largely to the increased cost of living. The Government undertook to study the labor situation and to endeavor to meet reasonable demands of the workers.

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# PART TWO - SOCIAL INSURANCE AND SECURITY (1)

89. Fascist legislation (1919-1942) brought all types of social insurance under the management of public institutions. The contributions and the insurance benefits in the Italian social insurance system in 1938 and 1942 (latest data available), are shown in Table 14 and in the graphs in Tables 15 and 16.

TABLE 14

## Social insurance in Italy: Contributions and benefits: 1938 and 1942

| TYPE OF INSURANCE | 1938 | | | | 1942 | | | |
|---|---|---|---|---|---|---|---|---|
| | Contributions | | Benefits | | Contributions | | Benefits | |
| | (Millions of Lire) | | | | | | | |
| *a*) Invalidity, old age and surviving dependents (INPS) (1) | 672 | 22.9 | 477 | 21.4 | 2,383 | 17.8 | 755 | 7.1 |
| *b*) Unemployment (INPS) | 176 | 6.0 | 161 | 7.2 | 324 | 2.4 | 191 | 1.8 |
| *c*) Tuberculosis (INPS) | 225 | 7.7 | 240 | 10.8 | 383 | 2.9 | 367 | 3.5 |
| *d*) Marriage, birth (4) (INPS) | 15 | 0.5 | 30 | 1.4 | 352 | 2.6 | 186 | 1.8 |
| *e*) Sickness (INAML) (2) | 367 | 12.5 | 306 | 13.7 | 1,321 | 9.9 | 1,037 | 9.8 |
| *f*) Accidents (INAIL) (3) | 587 | 20.0 | 240 | 10.8 | 943 | 7.0 | 432 | 4.1 |
| *g*) Family allowances (INPS) | 883 | 30.0 | 771 | 34.6 | 6,347 | 47.3 | 6,222 | 58.9 |
| *h*) Fund for workers working part-time (INPS) | — | — | — | — | 993 | 7.4 | 300 | 2.8 |
| *i*) Military re-inductees (INPS) | 12 | 0.4 | 3 | 0.1 | 365 | 2.7 | 1,082 | 10.2 |
| TOTAL (5) | 2,937 | 100.0 | 2,228 | 100.0 | 13,411 | 100.0 | 10,572 | 100.0 |

(1) Istituto Nazionale Previdenza Sociale (INPS - National Institute for Social Security).
(2) Istituto Nazionale Assistenza Malattie Lavoratori (INAML - National Institute for Assisting Sick Workers).
(3) Istituto Nazionale Assicurazioni Infortuni Lavoro (INAIL - National Insurance Institute for Accidents while at work).
(4) The data for 1938 refer to maternity insurance.
(5) Social insurance in the strict sense.

Source : (I) Commissione di Studio della Democrazia Cristiana. I problemi della Ricostruzione, Contributo alla riforma della previdenza sociale. Società Editrice Libreria Italiana. (Christian Democracy Research Commission. The problems of reconstruction. Contribution to social security reform). (II) The Institutes listed in Table 14.

90. In 1942 aggregate contributions were almost one third of Government revenue (see Graph - Table 19).

91. The percentages in Table 14 and in the graph (Table 15) show that the payment for family allowances, started in 1937, accounted in 1942 (together with [illegible] of smaller nature, such as the provision

92. While the general price index increased about 60 % from 1938 to 1942, family allowances increased eight times in the same period; unemployment benefits increased only 19 % and disability and old age benefits 58 %. More recent data are lacking; such information as is available confirms that the expansion of family

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social insurance under the management of public institutions. The contributions and the insurance benefits

the graphs in Tables 15 and 16.

TABLE 14

## Social insurance in Italy: Contributions and benefits: 1938 and 1942

| TYPE OF INSURANCE | 1938 | | | | 1942 | | | |
|---|---|---|---|---|---|---|---|---|
| | Contributions | | Benefits | | Contributions | | Benefits | |
| | (Millions of Lire) | | | | | | | |
| *a*) Invalidity, old age and surviving dependents (INPS) (1) | 672 | % 22.9 | 477 | % 21.4 | 2,383 | % 17.8 | 755 | % 7.1 |
| *b*) Unemployment (INPS) (5) | 176 | 6.0 | 161 | 7.2 | 324 | 2.4 | 191 | 1.8 |
| *c*) Tuberculosis (INPS) (5) | 225 | 7.7 | 240 | 10.8 | 383 | 2.9 | 367 | 3.5 |
| *d*) Marriage, birth (4) (INPS) (5) | 15 | 0.5 | 30 | 1.4 | 352 | 2.6 | 186 | 1.8 |
| *e*) Sickness (INAML) (2) | 367 | 12.5 | 306 | 13.7 | 1,321 | 9.9 | 1,037 | 9.8 |
| *f*) Accidents (INAIL) (3) | 587 | 20.0 | 240 | 10.8 | 943 | 7.0 | 432 | 4.1 |
| *g*) Family allowances (INPS) | 883 | 30.0 | 771 | 34.6 | 6,347 | 47.3 | 6,222 | 58.9 |
| *h*) Fund for workers working part-time (INPS) | — | — | — | — | 993 | 7.4 | 300 | 2.8 |
| *i*) Military re-inductees (INPS) | 12 | 0.4 | 3 | 0.1 | 365 | 2.7 | 1,082 | 10.2 |
| TOTAL | 2,937 | 100.0 | 2,228 | 100.0 | 13,411 | 100.0 | 10,572 | 100.0 |

(1) Istituto Nazionale Previdenza Sociale (INPS - National Institute for Social Security).
(2) Istituto Nazionale Assistenza Malattie Lavoratori (INAML - National Institute for Assisting Sick Workers).
(3) Istituto Nazionale Assicurazioni Infortuni Lavoro (INAIL - National Insurance Institute for Accidents while at work).
(4) The data for 1938 refer to maternity insurance.
(5) Social insurance in the strict sense.

Source: (I) Commissione di Studio della Democrazia Cristiana. I problemi della Ricostruzione, Contributo alla riforma della previdenza sociale. Società Editrice Libreria Italiana. (Christian Democracy Research Commission. The problems of reconstruction. Contribution to social security reform). (II) The Institutes listed in Table 14.

90. In 1942 aggregate contributions were almost one third of Government revenue (see Graph - Table 19).

91. The percentages in Table 14 and in the graph (Table 15) show that the payment for family allowances, started in 1937, accounted in 1942 (together with insurances of a similar nature, such as the provision of grants at marriage and births) for 61 % of all benefits (as against 36 % in 1938). The increase in this type of insurance, in relation to all other forms of social insurance, has reduced other benefits proportionately.

92. While the general price index increased about 60 % from 1938 to 1942, family allowances increased eight times in the same period; unemployment benefits increased only 19 % and disability and old age benefits 58 %. More recent data are lacking; such information as is available confirms that the expansion of family allowances has been at the expense of social insurances, such as insurance against sickness, tuberculosis, accident, disability, old age and unemployment.

(1) The attention of readers is drawn to the comparative summary table at the end of this part: Table 20.

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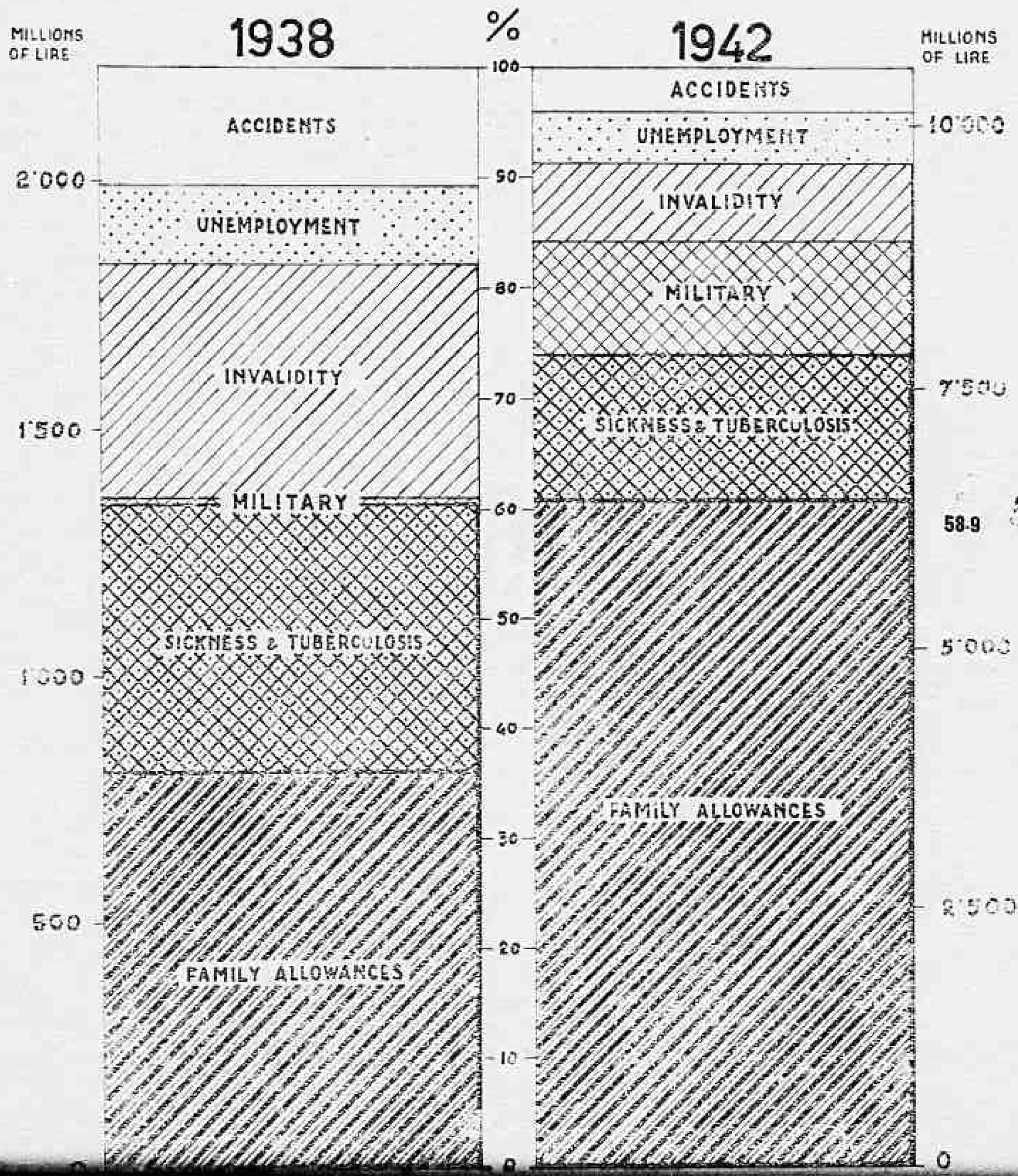
TABLE 15

# BENEFITS FROM SOCIAL INSURANCE

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# BENEFITS FROM SOCIAL INSURANCE

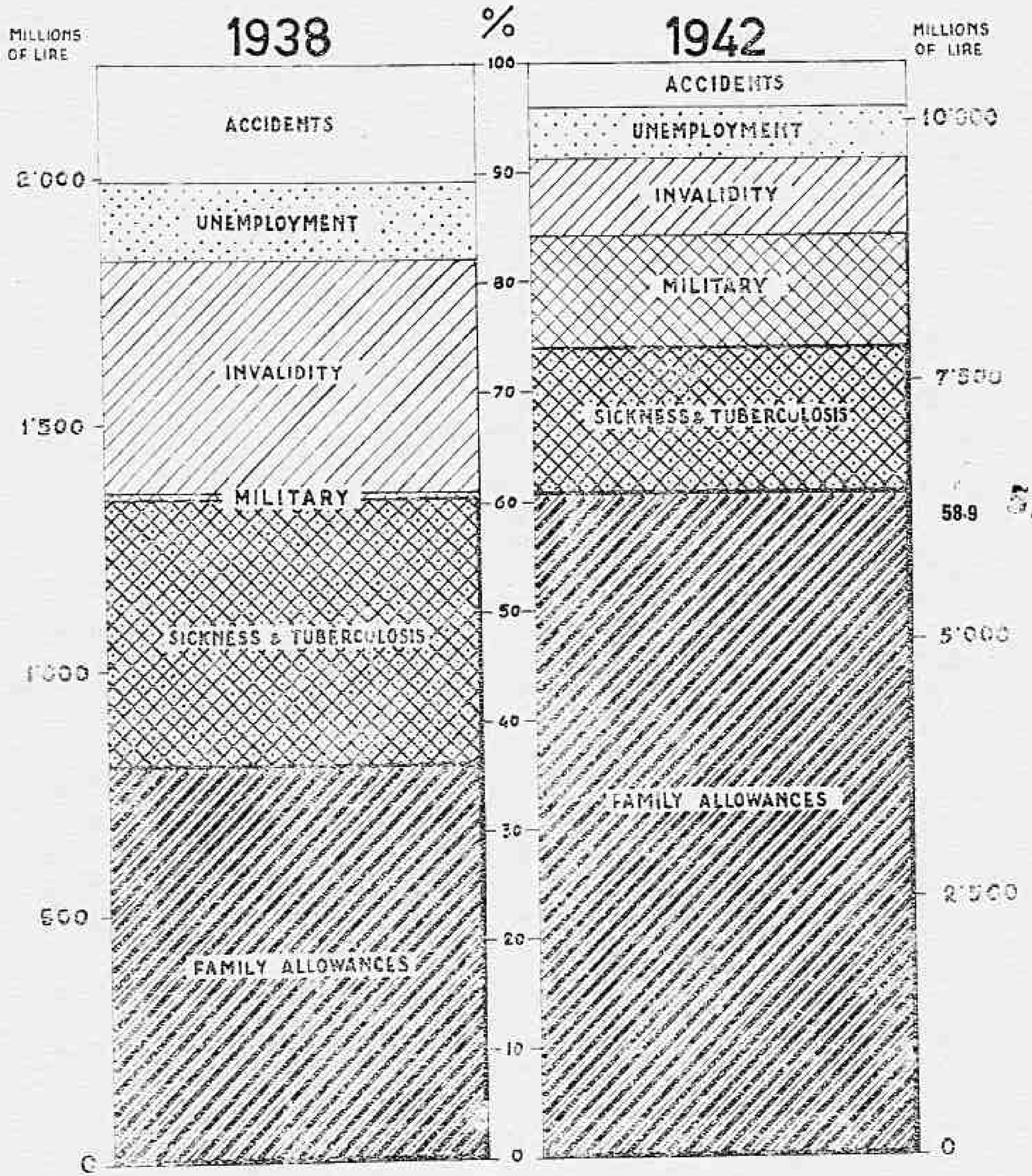


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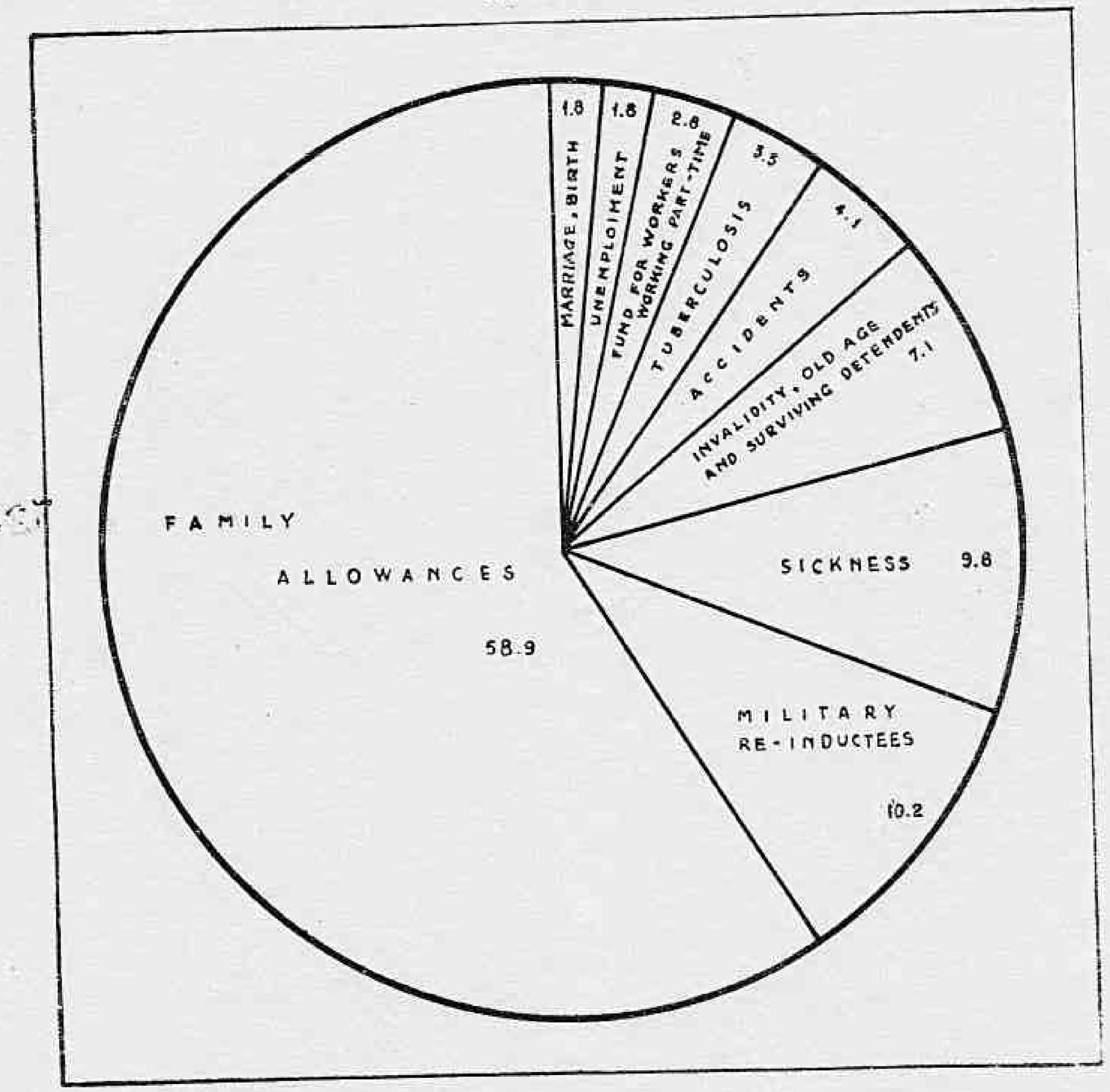
TABLE 16

# PERCENT DISTRIBUTION OF BENEFITS FROM THE SOCIAL INSURANCE AND SECURITY SYSTEM IN 1942

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93. The following figures show how largely the insurance contributions paid by employers and workers bulk in relation to average individual industrial workers' earnings:

| Paid by Employer and Worker from (1) | 1942 | | 1945 (Second half) | |
|---|---|---|---|---|
| | Contrib. | % of av. wage | Contrib. | % of av. wage |
| | Lire | | Lire | |
| Weekly wages of a manual worker | 118.45 | 44.87 | 483.10 | 32.21 |
| Monthly salary of a clerical worker | 608.00 | 40.53 | 1,733.00 | 22.30 |

Source: Confederazione Generale Industria Italiana (C. G. I. I. - General Confederation of Italian Industry).

(1) The charge for 1942 was calculated as follows:

*a*) for manual workers, on an average weekly net wage of 264 lire;

*b*) for clerical workers, on an average monthly net salary of 1,500 lire.

The charge for 1945 (second six months) was calculated as follows:

*a*) for manual workers, on an average weekly net wage of 1,500 lire;

*b*) for clerical workers, on an average monthly net salary of 7,750 lire.

94. In 1945 the total contributions for an agricultural worker, including an additional 6 % unified contribution, were between 7.50 and 15.90 lire per day.

95. After the collapse of fascism, social insurance institutions were placed under the control of Commissioners, shortly to be replaced by democratically elected managing bodies. An Italian Government Commission was appointed in May 1945 to coordinate and unify the whole system of social security, but up to August 1946 no steps had been taken in this direction.

## *SOCIAL INSURANCES IN THE STRICT SENSE*

96. Social insurances in the strict sense (see para. 89) are applicable to agriculture, industry, commerce, insurance and banking. Unemployment insurance, however, is not available to agricultural workers. Agricultural contributions for social insurances, in the strict sense, and for insurance against sickness, were unified in 1940.

97. To 9 April 1946, two thirds of the contributions for invalidity and old age insurance were paid by the employer and one third by the worker.

compulsory insurance against unforeseen unemployment, tuberculosis, marriage and births, and sickness, were paid entirely by the employer.

### Disability (or Invalidity), Old Age and Surviving Dependents

99. Compulsory insurance against disability (including disability caused by chronic diseases), for old age and surviving dependents can be considered as the basis of the insurance system. Workers call these insurances the "pension" insurance (1).

100. This insurance was established as a compulsory insurance for all trades by the decree of April 1919. Actual payment of benefits for disability began in July 1920 and for "pension" insurance in 1922.

101. Benefits are increased to meet the increased cost of living. For this reason contributions were also increased (from June 1, 1945). The sums raised from these increased contributions were set aside in a special fund called "Integration Fund for social insurance" established in March 1945. The increased contributions, described as "integrative" contributions, are equal to 7.50 % of the wages (for invalidity, old age and surviving dependents), 4 % (for unemployment), 3 % (for tuberculosis). The contributions are calculated on the wages as well as on all additional elements in the wages, but up to a certain aggregate amount only, i.e., on 3,600 lire per month (for clerical workers as well as for manual workers), or on 900 lire per week, or on 114 lire per day. The maximum wages (on which contributions are calculated) was increased in June 1946 from 3,600 to 6,250 lire per month (or 1,562 lire per week).

102. To qualify for disability pension, the working power of the employees must have been reduced by disability to at least one half for office workers and one third for manual workers. The right to a disability pension cannot be acquired until (a) five years

(1) The National Institute of Social Security provides invalidity, old age and surviving dependents, insurance for sailors and other maritime workers under a separate scheme. This compulsory insurance dates back to 1861 and was the first form of social security in Italy. There were five separate Funds, which in 1944, were merged under one organization. This organization was a branch of the Fund for Social Insurance, which, later on, was transformed into the National Institute for Social Security. The organization pays pensions to maritime workers, to administrative workers of shipping companies, and to their families. As from 10 April 1946, contributions are entirely charged to the

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| Paid by Employer and Worker from (1) | 1942 | | 1945 (Second half) | |
|---|---|---|---|---|
| | Contrib. | % of av. wage | Contrib. | % of av. wage |
| | Lire | | Lire | |
| Weekly wages of a manual worker . . . | 118.45 | 14.87 | 483.10 | 32.21 |
| Monthly salary of a clerical worker . . | 608.00 | 10.53 | 1,733.00 | 22.36 |

Source: Confederazione Generale Industria Italiana (C. G. I. I. - General Confederation of Italian Industry).

(1) The charge for 1942 was calculated as follows:

*a*) for manual workers, on an average weekly net wage of 264 lire;

*b*) for clerical workers, on an average monthly net salary of 1,500 lire.

The charge for 1945 (second six months) was calculated as follows:

*a*) for manual workers, on an average weekly net wage of 1,500 lire;

*b*) for clerical workers, on an average monthly net salary of 7,750 lire.

94. In 1945 the total contributions for an agricultural worker, including an additional 6 % unified contribution, were between 7.50 and 15.90 lire per day.

95. After the collapse of fascism, social insurance institutions were placed under the control of Commissioners, shortly to be replaced by democratically elected managing bodies. An Italian Government Commission was appointed in May 1945 to coordinate and unify the whole system of social security, but up to August 1946 no steps had been taken in this direction.

## *SOCIAL INSURANCES IN THE STRICT SENSE*

96. Social insurances in the strict sense (see para. 89) are applicable to agriculture, industry, commerce, insurance and banking. Unemployment insurance, however, is not available to agricultural workers. Agricultural contributions for social insurances, in the strict sense, and for insurance against sickness, were unified in 1940.

97. To 9 April 1946, two thirds of the contributions for invalidity and old age insurance were paid by the employer and one third by the worker.

98. The insurance contributions for unemployment, tuberculosis, marriage and birth, were paid 50 % by the employer and 50 % by the worker. As from 10 April 1946 (Law-decree of 2 April 1946) contributions for invalidity and old age insurance, as well as for

## AND SURVIVING DEPENDENTS

99. Compulsory insurance against disability (including disability caused by chronic diseases), for old age and surviving dependents can be considered as the basis of the insurance system. Workers call these insurances the "pension" insurance (1).

100. This insurance was established as a compulsory insurance for all trades by the decree of April 1919. Actual payment of benefits for disability began in July 1920 and for "pension" insurance in 1922.

101. Benefits are increased to meet the increased cost of living. For this reason contributions were also increased (from June 1, 1945). The sums raised from these increased contributions were set aside in a special fund called "Integration Fund for social insurance" established in March 1945. The increased contributions, described as "integrative" contributions, are equal to 7.50 % of the wages (for invalidity, old age and surviving dependents), 4 % (for unemployment), 3 % (for tuberculosis). The contributions are calculated on the wages as well as on all additional elements in the wages, but up to a certain aggregate amount only, i.e., on 3,600 lire per month (for clerical workers as well as for manual workers), or on 900 lire per week, or on 114 lire per day. The maximum wages (on which contributions are calculated) was increased in June 1946 from 3,600 to 6,250 lire per month (or 1,562 lire per week).

102. To qualify for disability pension, the working power of the employees must have been reduced by disability to at least one half for office workers and one third for manual workers. The right to a disability pension cannot be acquired until (a) five years

(1) The National Institute of Social Security provides invalidity, old age and surviving dependents, insurance for sailors and other maritime workers under a separate scheme. This compulsory insurance dates back to 1861 and was the first form of social security in Italy. There were five separate Funds, which in 1911, were merged under one organization. This organization was a branch of the Fund for Social Insurance, which, later on, was transformed into the National Institute for Social Security. The organization pays pensions to maritime workers, to administrative workers of shipping companies, and to their families. As from 10 April 1946, contributions are entirely charged to the shipowners. The contributions amount to 15 % of the wages of the maritime workers and to 14 % of the salaries of the administrative workers.

Total benefits to be paid in 1946 (mainly for old age and surviving dependents) are estimated to amount to 31.8 million lire. The possibility of increasing the total amount of benefits from 31.8 million lire to 101.8 million lire is under consideration as part of the general plan for bringing insurance benefits more in line with the cost of living.

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after the payment of the first contribution and (b) the contributions paid have amounted to 975 lire for an office worker and 375 lire for a manual worker (agricultural workers excluded). Minimum contributions for agricultural casual or permanent workers are from 112.50 to 450 lire.

103. The right to an old age pension cannot be acquired until 15 years after the payment of the first contribution. This limit was reduced to 10 years for those persons who paid their first contribution before 1 May 1939, and were over 45 years of age (men) and 40 years (women). For women the minimum contribution required for the old age pension has been reduced by one third. Minimum contributions are 2,925 lire for office workers, 1,125 lire for manual workers (excluding agricultural workers), and 337.50 to 1,350 for agricultural workers.

*Contributions.*

(i) *Industry and Other Trades.*

104. Contributions vary according to salary categories (10 categories for manual workers and 9 categories for office workers). Present contributions for the highest category are the following (as in June 1946):

| | | |
|---|---|---|
| (a) | manual workers | 114.30 lire per week |
| (b) | office ,, | 649.50 ,, ,, month |

(ii) *Agriculture.*

105. The contributions in agriculture, as in the case of tuberculosis, accident, and marriage and birth insurance, are subject to rules which differ from those applying to industry.

106. Flat contributions, i.e. (a) invalidity, old age, surviving dependents; (b) tuberculosis; (c) marriage and birth grants (there is no unemployment insurance for agriculture) are determined by a special Provincial Commission which classifies the casual agricultural workers and, for each farm, the number of casual workers estimated to be employed during the agricultural year. Permanent agricultural workers and métayers inform the Provincial Commission directly on these points.

[illegible] of the information received for tem-

the crops. The amounts assessed for each farm owner are added to taxes to be paid by the farm owner. The method of payment of contributions is similar to that described in para. 152 for accident insurance.

108. The basic contributions in agriculture are:

| | |
|---|---|
| man . . . . . | 3.54 lire per day |
| woman, boy . . | 3.27 ,, ,, ,, |

*Insurance Benefits.*

109. Insurance benefits are the same for all categories of workers. The amount of the pension varies according to the contribution card. In the period 1936 to 1943 the disability and old age pensions were from 500 (or less) to 5,000 lire a year with an average of 790 lire in 1936 and 880 lire in 1942. The number of persons in 1942 entitled to these pensions was about 770,000 (including 400,000 entitled to old age pension).

110. Minimum pensions, as in June 1946, were the following:

Disability:
8,640 lire per year for men
6,480 ,, ,, ,, ,, women

Old age:
10,800 lire per year for men over 65
8,640 ,, ,, ,, ,, women over 60

111. The minimum allowance is increased by one-tenth for each dependent child. As from 1 June 1946 a fixed allowance of 300 lire is granted and charged to the State. The disability and old age pensions are not cumulative. The average pension may be estimated at about 9,000 lire. Since wages are lower in agriculture than in industry, pensions are also lower.

112.

(a) Where a person acquired a title to pension between 1 January 1940 and 31 December 1944 and died before 1 January 1945, his surviving dependents are entitled to a grant of an amount equal to one year's pension. The family allowances for children included in the pension are excluded from the grant.

(b) Where an insured person who was still paying premiums and was not entitled to pension died between 1 January 1940 and 31 December 1944 [illegible] five-year period previous to his death

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103. The right to an old age pension cannot be acquired until 15 years after the payment of the first contribution. This limit was reduced to 10 years for those persons who paid their first contribution before 1 May 1939, and were over 45 years of age (men) and 40 years (women). For women the minimum contribution required for the old age pension has been reduced by one third. Minimum contributions are 2,925 lire for office workers, 1,125 lire for manual workers (excluding agricultural workers), and 337.50 to 1,350 for agricultural workers.

*Contributions.*

(i) *Industry and Other Trades.*

104. Contributions vary according to salary categories (10 categories for manual workers and 9 categories for office workers). Present contributions for the highest category are the following (as in June 1946):

| | | |
|---|---|---|
| (a) | manual workers | 114.30 lire per week |
| (b) | office ,, | 649.50 ,, ,, month |

(ii) *Agriculture.*

105. The contributions in agriculture, as in the case of tuberculosis, accident, and marriage and birth insurance, are subject to rules which differ from those applying to industry.

106. Flat contributions, i.e. (a) invalidity, old age, surviving dependents; (b) tuberculosis; (c) marriage and birth grants (there is no unemployment insurance for agriculture) are determined by a special Provincial Commission which classifies the casual agricultural workers and, for each farm, the number of casual workers estimated to be employed during the agricultural year. Permanent agricultural workers and métayers inform the Provincial Commission directly on these points.

107. On the basis of the information received for temporary and permanent agricultural labour, the Commission determines the contributions needed to insure all agricultural workers in the province concerned. The Provincial Commission assesses the contributions to be made by the various farm owners in the province, according to the acreage they possess and the nature of

| | | |
|---|---|---|
| man | . . . . . | 3.54 lire per day |
| woman, boy | . . | 3.27 ,, ,, ,, |

*Insurance Benefits.*

109. Insurance benefits are the same for all categories of workers. The amount of the pension varies according to the contribution card. In the period 1936 to 1943 the disability and old age pensions were from 500 (or less) to 5,000 lire a year with an average of 790 lire in 1936 and 880 lire in 1942. The number of persons in 1942 entitled to these pensions was about 770,000 (including 400,000 entitled to old age pension).

110. Minimum pensions, as in June 1946, were the following:

Disability:
8,640 lire per year for men
6,480 ,, ,, ,, ,, women

Old age:
10,800 lire per year for men over 65
8,640 ,, ,, ,, ,, women over 60

111. The minimum allowance is increased by one-tenth for each dependent child. As from 1 June 1946 a fixed allowance of 300 lire is granted and charged to the State. The disability and old age pensions are not cumulative. The average pension may be estimated at about 9,000 lire. Since wages are lower in agriculture than in industry, pensions are also lower.

112.

(a) Where a person acquired a title to pension between 1 January 1940 and 31 December 1944 and died before 1 January 1945, his surviving dependents are entitled to a grant of an amount equal to one year's pension. The family allowances for children included in the pension are excluded from the grant.

(b) Where an insured person who was still paying premiums and was not entitled to pension died between 1 January 1940 and 31 December 1944 and in the five year period previous to his death had paid premiums for at least one year, his surviving dependents are entitled to a grant equal to the premiums paid before his death. The grant in this case is not lower than 500 lire and not higher than 1,500 lire.

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(c) Where a pensioned person dies (or has died after 31 December 1944) his surviving dependents are entitled to his pension for the following amounts: 50 % of the pension, if the surviving dependent is a widow or widower, or is an orphan without parents; 60 % if a widow or widower with one child, or three orphans without parents; 70 % if a widow or widower with two children; 80 % if a widow or widower with three children; 90 % if a widow or widower with four children; 100 % if a widow or widower with five or more children.

(d) Where an insured person (i.e. a person who is not yet a pensioned person but has acquired the title to pension) has died after 31 December 1944, his surviving dependents are entitled to the disability pension for the same amount as in (c).

## Unemployment

113. Compulsory insurance against unemployment was enforced by a law-decree of October 1919, which determined the regulations concerning the employment of labor. By a decree of December 1923 the management of this compulsory insurance was entrusted to the National Institute for Social Security. By a decree of October 1935, revised in April 1939, all social insurances were coordinated. The government which replaced fascism, in order to adjust benefits to the cost of living, by a decree of March 1945 established an integration fund for the payment of higher insurance benefits, which were increased by a law-decree of 20 May 1946.

114. A person is entitled to unemployed benefits after payment of 12 monthly contributions in the case of office workers and 52 weekly contributions for manual workers. These payments must be effected in the two years preceding the occurrence of the unemployment (excluding the periods of sickness). Moreover the person entitled to unemployment benefits should not have benefited by more than 180 days of indemnity during the year previous to the new application.

### (a) *Contributions.*

115. Contributions in this case also have reference to salary categories (10 categories for manual workers and 9 for office workers). The wages on which contributions added to the above, was fixed at 4 % of the salary (for a maximum salary of 3,600 lire per month). This 3,600 lire was in June 1946 increased to 6,250 lire per month (i.e. 1,562 lire per week) both for the manual worker and for the office worker.

116. The present contributions are:

(i) manual workers 64.28 lire per week;

(ii) office workers 259.80 lire per month.

### (b) *Benefits.*

117. Insurance benefits are as follow:

(i) manual workers from 52.50 lire to 57.00 lire per day;

(ii) office workers from 54.00 lire to 62.00 lire per day.

118. Persons receiving unemployment benefits are entitled to a supplementary daily allowance for each child not over 16 or a disabled child (in the case of a manual worker) or, in the case of an office worker, not over 18. This allowance is from 8.50 to 9.20 lire per day.

119. Comparison of this daily benefit rate with the present cost of food on the open market (a pound of bread costs from 35 to 60 lire) shows that under present conditions an unemployed man and his family are quite unable to purchase the barest necessities. Generally speaking, slowness in adjusting rates and benefits to prevailing conditions of life make the entire Italian social insurance system almost totally ineffectual at the present time.

120. The number of unemployed workers who in 1938 and 1945-46 were paid unemployment benefits were as follow:

| | |
|---|---|
| 1938 monthly average . . . . | 163.000 |
| *1945* | |
| October . . . . . | 136.000 |
| November . . . . . | 136.000 |
| December . . . . . | 142.000 |
| *1946* | |
| January . . . . . | 150.000 |
| February . . . . . | 171.000 |
| March . . . . . | 186.000 |

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out parents; 60 % if a widow or widower with one child, or three orphans without parents; 70 % if a widow or widower with two children; 80 % if a widow or widower with three children; 90 % if a widow or widower with four children; 100 % if a widow or widower with five or more children.

(d) Where an insured person (i.e. a person who is not yet a pensioned person but has acquired the title to pension) has died after 31 December 1944, his surviving dependents are entitled to the disability pension for the same amount as in (c).

## Unemployment

113. Compulsory insurance against unemployment was enforced by a law-decree of October 1919, which determined the regulations concerning the employment of labor. By a decree of December 1923 the management of this compulsory insurance was entrusted to the National Institute for Social Security. By a decree of October 1935, revised in April 1939, all social insurances were coordinated. The government which replaced fascism, in order to adjust benefits to the cost of living, by a decree of March 1945 established an integration fund for the payment of higher insurance benefits, which were increased by a law-decree of 20 May 1946.

114. A person is entitled to unemployed benefits after payment of 12 monthly contributions in the case of office workers and 52 weekly contributions for manual workers. These payments must be effected in the two years preceding the occurrence of the unemployment (excluding the periods of sickness). Moreover the person entitled to unemployment benefits should not have benefited by more than 180 days of indemnity during the year previous to the new application.

### (a) *Contributions.*

115. Contributions in this case also have reference to salary categories (10 categories for manual workers and 9 for office workers). The wages on which contributions were made amounted to a maximum of 156 lire per week for a manual worker and 1,400 lire per month for an office worker. Thus contributions varied from 0.50 to 1.80 lire per week for a manual worker and from 5.00 lire to 9.80 lire per month for office workers. With the establishment of the "Integration Fund" (see para. 101) the supplementary contribution, to be

116. The present contributions are:

(i) manual workers 64.28 lire per week;

(ii) office workers 259.80 lire per month.

### (b) *Benefits.*

117. Insurance benefits are as follow:

(i) manual workers from 52.50 lire to 57.00 lire per day;

(ii) office workers from 54.00 lire to 62.00 lire per day.

118. Persons receiving unemployment benefits are entitled to a supplementary daily allowance for each child not over 16 or a disabled child (in the case of a manual worker) or, in the case of an office worker, not over 18. This allowance is from 8.50 to 9.20 lire per day.

119. Comparison of this daily benefit rate with the present cost of food on the open market (a pound of bread costs from 35 to 60 lire) shows that under present conditions an unemployed man and his family are quite unable to purchase the barest necessities. Generally speaking, slowness in adjusting rates and benefits to prevailing conditions of life make the entire Italian social insurance system almost totally ineffectual at the present time.

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| 1938 monthly average . . . . | 163,000 |
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| December . . . . . | 142,000 |
| *1946* | |
| January . . . . . | 150,000 |
| February . . . . . | 171,000 |
| March . . . . . | 186,000 |

These figures do not actually include all unemployed workers, as only a proportion of the unemployed are registered (see para. 22). The period during which workers are entitled to benefits may not exceed 180 days in a year. In fact the average number of days during which the benefits were granted were 64 in 1942

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and 68 in 1941. The average period in 1936 was 45 days. Seasonal workers, such as workers in the building trade in winter time, are not entitled to unemployed benefits.

121. The Italian Government has endeavored to reduce unemployment by enforcing the 40 hour working week, and to alleviate the financial difficulties of unemployment by giving material assistance to cover those persons who are not entitled to relief because they have made insufficient contributions to the unemployment insurance scheme. The Government decreed in May 1946 that under certain circumstances an extraordinary unemployment subsidy (of 50 lire per day plus 8 lire per day for each dependent child) may be paid to unemployed workers not entitled to the daily unemployment compensation, provided that one contribution towards compulsory unemployment insurance has been paid before 30 June 1939. Decisions as to when and where this assistance may be paid are made by the Committee for Unemployment of the Ministry of Labor and Social Security. The period of benefit is the same as in the case of the normal benefit paid through the I.N.P.S.

## Tuberculosis Insurance

122. Compulsory insurance against tuberculosis was established by a decree of October 1927, revised by a decree of April 1939. The Government which replaced the fascist regime, in order to meet the rising cost of treatment and also to increase the benefit, by a decree of November 1945 brought the contributions and benefit to a self-liquidating level by drawing on the "Integration Fund" for social insurance established in March 1945 (see para. 101).

123. The minimum period of insurance before entitlement to insurance benefit is two years. One year's contribution must have been paid in the five years' period preceding the application in order to obtain the insurance benefit. Daily workers in agriculture are entitled to benefit for 156 days for men and 104 days for women. This type of insurance benefit for tuberculosis covers all occupations, including agriculture.

(a) *Contributions.*

(i) *Industry, Commerce, etc.*

124. Contributions vary according to wage or salary

(ii) *Agriculture.*

125. Contributions for agriculture are as follow:

(i) daily paid workers:
man: 3.017 lire per day
woman, boy: 3.017 lire per day

(ii) permanent workers:
man: 1.81 lire per day - 300 days per year
woman, boy: 1.508 lire per day - 300 days per year

(iii) métayers (husbandmen):
man, woman, boy: 0.9227 lire per day on 240 days per year.

(b) *Benefits* (for all categories).

126. Workers and their family dependents can be treated in any sanatorium of the National Institute for Social Security or, in some cases, can receive dispensary treatment and a grant during the period of treatment. This grant prior to May 1946 varied according to the contributions paid:

(i) manual workers 4.00 to 8.00 lire per day
(ii) office workers 6.00 to 12.00 lire per day.

127. By a law-decree of May 1946 an allowance has been added to this grant. This allowance for persons with dependents is equal to 50 lire per day per person plus 8 lire for each dependent child. For insured persons with no dependents the daily allowance is 15 lire.

128. This insurance does not differentiate between categories of workers. Up to 8 May 1946 cash benefits were granted only for one year. This period was extended for a further year by a decree of June 1946.

129. More than 90 % of the Institute's expenditure on tuberculosis benefits was paid for treatment in sanatoria. At the end of 1942 about 30,000 persons (20,000 insured and 10,000 family dependents) were admitted to sanatoria. The total number of days during which these persons were patients in sanatoria were 11 million.

130. The great increase since 1941 in tuberculosis cases —in addition to the increase in cost of treatment—has thrown the budget of this insurance into increased deficit.

## Marriage and Birth Grants

131. A maternity insurance has existed in Italy since

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reduce unemployment by enforcing the 40 hour working week, and to alleviate the financial difficulties of unemployment by giving material assistance to cover those persons who are not entitled to relief because they have made insufficient contributions to the unemployment insurance scheme. The Government decreed in May 1946 that under certain circumstances an extraordinary unemployment subsidy (of 50 lire per day plus 8 lire per day for each dependent child) may be paid to unemployed workers not entitled to the daily unemployment compensation, provided that one contribution towards compulsory unemployment insurance has been paid before 30 June 1939. Decisions as to when and where this assistance may be paid are made by the Committee for Unemployment of the Ministry of Labor and Social Security. The period of benefit is the same as in the case of the normal benefit paid through the I.N.P.S.

## Tuberculosis Insurance

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123. The minimum period of insurance before entitlement to insurance benefit is two years. One year's contribution must have been paid in the five years' period preceding the application in order to obtain the insurance benefit. Daily workers in agriculture are entitled to benefit for 156 days for men and 104 days for women. This type of insurance benefit for tuberculosis covers all occupations, including agriculture.

### (a) *Contributions.*

#### (i) *Industry, Commerce, etc.*

124. Contributions vary according to wage or salary (10 categories for manual workers and 9 categories for office workers). The integrative contribution of 3 % is paid out of salaries and wages of a maximum of 6,250 lire for both manual workers and office workers. At present the total contributions amount to:

(i) manual workers 18.66 lire per week
(ii) office workers 194.70 lire per month.

(ii) permanent workers:
man: 1.81 lire per day - 300 days per year
woman, boy: 1.508 lire per day - 300 days per year

(iii) métayers (husbandmen):
man, woman, boy: 0.9227 lire per day on 240 days per year.

### (b) *Benefits* (for all categories).

126. Workers and their family dependents can be treated in any sanatorium of the National Institute for Social Security or, in some cases, can receive dispensary treatment and a grant during the period of treatment. This grant prior to May 1946 varied according to the contributions paid:

(i) manual workers 4.00 to 8.00 lire per day
(ii) office workers 6.00 to 12.00 lire per day.

127. By a law-decree of May 1946 an allowance has been added to this grant. This allowance for persons with dependents is equal to 50 lire per day per person plus 8 lire for each dependent child. For insured persons with no dependents the daily allowance is 15 lire.

128. This insurance does not differentiate between categories of workers. Up to 8 May 1946 cash benefits were granted only for one year. This period was extended for a further year by a decree of June 1946.

129. More than 90 % of the Institute's expenditure on tuberculosis benefits was paid for treatment in sanatoria. At the end of 1942 about 30,000 persons (20,000 insured and 10,000 family dependents) were admitted to sanatoria. The total number of days during which these persons were patients in sanatoria were 11 million.

130. The great increase since 1941 in tuberculosis cases —in addition to the increase in cost of treatment—has thrown the budget of this insurance into increased deficit.

## Marriage and Birth Grants

131. A maternity insurance has existed in Italy since 1910. This insurance applied only to women employed in industry. By a law-decree of April 1939 marriage and birth compulsory insurance was established for all occupations, including agriculture. The minimum age limit for this insurance, both for men and women, is 14 years. Contributions and grants have not been changed since 1939.

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132. To enjoy marriage grants, contributions must have been paid for one year in the three year period preceding marriage. Moreover, one of the parties must have been insured for a period of at least two years. This applies also to birth insurance. The marriage grant is given to office workers (men not over 30, women not over 26) and manual workers, including agricultural workers (men and women not over 26). The same age limits apply to the daughters of the persons insured. Daughters are entitled to the same benefits, where they are not separately insured.

(a) *Contributions.*

133. For contributions, all workers (excluding agricultural manual workers) are divided into categories (9 for office workers and 10 for manual workers). The contributions for these categories are as follow:

(i) office workers (including agriculture) from 2.30 lire to 5.70 lire per month

(ii) manual workers (excluding agriculture) from 0.50 lire to 1.35 lire per week.

134. The contributions for agricultural workers are:

(i) daily paid workers:
men, 0.24 lire for each day of work
women and boys from 14 to 18, 0.22 lire for each day of work

(ii) permanent workers:
men, 22 lire per agricultural year
women and boys from 14 to 18, 24 lire per agricultural year

(iii) métayers and husbandmen:
men, women and boys, 18 lire per agricultural year.

(b) *Benefits.*

135. Marriage grants are made when the person insured gets married, or when the daughter of the insured marries, provided the daughter is not entitled to benefits under her own insurance policy. These grants are as follow:

(i) office workers:
men, lire 1,000
women, lire 700

(ii) manual workers (excluding agricultural workers):

Birth grants are as follows (1):

(i) office and manual workers (excluding agricultural workers):
first child, 300 lire
2nd, 3rd child, 350 lire each
4th and following, 400 lire each.

136. In case of involuntary therapeutical abortion the grant is reduced to 100 lire.

137. The birth grant is paid to the person entitled, regardless of whether the person concerned is a man or woman.

138. The number of grants for birth or abortion amounted to 163,761 in 1938 and to 454,906 in 1942 (the average allowance amounted to 185 to 284 lire). The number of marriage bonuses granted in 1942 was more than 100,000 (the average allowance was 566 lire).

*Loans Available to Persons not Nationally Insured.*

139. By a decree of 21 August 1937 No. 1542, marriage loans of from 1,000 to 3,000 lire were granted to workers (civil servants excluded). Loans are available to workers of 26 years and under with an income not exceeding 12,000 lire a year. The marriage loans were discontinued on the liberation of the national territory (in 1943 in the territory south of the Garigliano river, in 1944 in the territory south of the Gothic line, on 25 April 1945 in all the remaining territory).

140. The marriage loans were borne on the budget of the provinces. In 1942, 37,808 loans were granted for a total of 55,379,700 lire.

141. For Civil Servants, as from 1931 birth and marriage grants were paid for a total of 39,642,000 lire (average grant 2,200 lire), 65,792 birth grants for a total of 72,109,000 lire (average grant 1,096 lire). On 1 July 1946 these benefits were discontinued pending a review of the administration and finance of grants.

## *OTHER FORMS OF INSURANCE*

### INSURANCE AGAINST SICKNESS

142. Workers in industry, agriculture, commerce, banking and insurance (2) can benefit from this insurance. At the beginning, this insurance was granted through collective contracts drawn up by trade unions but not made to a uniform pattern. With the Janu-

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workers (men and women not over 26). The same age limits apply to the daughters of the persons insured. Daughters are entitled to the same benefits, where they are not separately insured.

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133. For contributions, all workers (excluding agricultural manual workers) are divided into categories (9 for office workers and 10 for manual workers). The contributions for these categories are as follow:

(i) office workers (including agriculture) from 2.30 lire to 5.70 lire per month

(ii) manual workers (excluding agriculture) from 0.50 lire to 1.35 lire per week.

134. The contributions for agricultural workers are:

(i) daily paid workers:
men, 0.24 lire for each day of work
women and boys from 14 to 18, 0.22 lire for each day of work

(ii) permanent workers:
men, 22 lire per agricultural year
women and boys from 14 to 18, 24 lire per agricultural year

(iii) métayers and husbandmen:
men, women and boys, 18 lire per agricultural year.

(b) *Benefits.*

135. Marriage grants are made when the person insured gets married, or when the daughter of the insured marries, provided the daughter is not entitled to benefits under her own insurance policy. These grants are as follow:

(i) office workers:
men, lire 1,000
women, lire 700

(ii) manual workers (excluding agricultural workers):
men, lire 700
women, lire 500

(iii) agricultural workers (including métayers and husbandmen):
men, lire 500
women, lire 400

136. In case of involuntary therapeutical abortion the grant is reduced to 100 lire.

137. The birth grant is paid to the person entitled, regardless of whether the person concerned is a man or woman.

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## *OTHER FORMS OF INSURANCE*

### Insurance against Sickness

142. Workers in industry, agriculture, commerce, banking and insurance (2) can benefit from this insurance. At the beginning, this insurance was granted through collective contracts drawn up by trade unions but not made to a uniform pattern. With the Janu-

(1) The scale of grants reflects the stress put by the fascist government on large families.

(2) Contributions for commerce are 4% of salaries up to a maximum salary of 3,000 lire per month. For banking and insurance contributions are 2.50 % of basic salaries. Benefits are being reviewed.

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ary 1939 collective contract, the administration of sickness insurance was centralized in each province and by occupational groups. By the January 1943 law all mutual insurance organizations established by trade unions were centralized for each occupational group. The central organization was a single unit called the National Institute for Assistance to Sick Workers, which incorporated all former organizations. This was a step towards a general insurance against sickness to ensure that necessary medical care is given to all workers and their family dependents.

(a) *Contributions.*

(i) *Industry.*

143. By a law-decree of April 1946 and as from 1 May 1946 contributions for this form of insurance were decided as follows:

(i) manual workers 5 % of the gross total wages;
(ii) office workers 3 % of the gross total salary.

(ii) *Agriculture.*

144. Contributions in agriculture are as follows:

(i) daily paid workers:
man, 6.10 lire per day
woman, boy, 4.10 lire per day

(ii) permanent workers:
man 4.50 lire per day for 300 days per year:
woman, boy 3.04 lire per day for 300 days per year

(iii) husbandmen, métayers:
man, woman, boy 1.04 lire per day for 240 days per year.

(b) *Benefits.*

(i) *Industry.*

145. Benefits for workers and family dependents are:

(i) manual workers:
50 % of the daily average total wages
1.000 lire bonus for each newly-born child (1)
2.000 lire allowance for burial expenses

(ii) office workers:
2.500 lire as a maximum refund for hospital or sanatorium expenses, plus 50 % of any exceeding expense;

(ii) *Agriculture.*

146. Benefits may be summarized as follows: daily benefits (husbandmen and métayers are excluded from daily benefits) from 25 to 60 lire for men and from 16 to 40 lire for women and boys. Medical assistance (doctor, hospital and, in most cases also medicines) available to manual workers, office workers and their family dependents for all categories both in industry and agriculture. Benefits granted through dispensaries, under the direction of specialized doctors, are substantial.

## Insurance against Accidents

147. Accident insurance, good only for workers in industry, was established as a compulsory insurance in 1883, and is regulated by the laws of 1888 and 1904: it is administered by a special organization (Cassa Nazionale Infortuni - National Accident Fund). In 1919 accident insurance was extended to cover accidents in agriculture and was placed under the administration of regional organizations (Mutual Accident Insurance Fund). The forms of insurance against industrial accidents include also occupational diseases (2).

148. By a law-decree of March 1933 the various organizations then existing were centralized in the present "National Accident Insurance Institute" (INAIL).

149. By a law-decree of August 1935 the following changes were made to the 1904 law:

(a) Benefits paid as pensions would be replaced by a grant paid in a lump sum;
(b) compulsory medical and surgical treatment and supply of prosthetic equipment to be charged to the Insurance Institute;
(c) change in the amount of the benefits for temporary disability and increase of the minimum daily benefits.
In recent years the sums paid in benefits have largely increased and some benefits have been improved.

(a) *Contributions.*

150. Contributions have always been made by employers only.

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(2) The Italian law regarding the prevention of accidents included, for occupational diseases, the following poisonings: (1) lead, (2) mercury, (3) phosphorus, (4) carbon sulphide, 5) benzol, (6) anecylostomiasis (industrial). By a law of 12 April 1943 (7) silicosis and (8) asbestosis were also included in the diseases

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National Institute for Assistance to Sick Workers, which incorporated all former organizations. This was a step towards a general insurance against sickness to ensure that necessary medical care is given to all workers and their family dependents.

(a) *Contributions.*

(i) *Industry.*

143. By a law-decree of April 1946 and as from 1 May 1946 contributions for this form of insurance were decided as follows:

(i) manual workers 5 % of the gross total wages;
(ii) office workers 3 % of the gross total salary.

(ii) *Agriculture.*

144. Contributions in agriculture are as follows:

(i) daily paid workers:
man. 6.10 lire per day
woman, boy. 4.10 lire per day

(ii) permanent workers:
man 4.50 lire per day for 300 days per year:
woman, boy 3.04 lire per day for 300 days per year

(iii) husbandmen, métayers:
man, woman, boy 1.04 lire per day for 240 days per year.

(b) *Benefits.*

(i) *Industry.*

145. Benefits for workers and family dependents are:

(i) manual workers:
50 % of the daily average total wages
1.000 lire bonus for each newly-born child (1)
2.000 lire allowance for burial expenses

(ii) office workers:
2.500 lire as a maximum refund for hospital or sanatorium expenses, plus 50 % of any exceeding expense;
3.000 lire for any surgical operation performed at the home of the worker.

(1) This grant, which is additional to the marriage and birth grants, is designed to cover initial expenses for the infant.

(doctor, hospital and, in most cases also medicines) available to manual workers, office workers and their family dependents for all categories both in industry and agriculture. Benefits granted through dispensaries, under the direction of specialized doctors, are substantial.

### Insurance against Accidents

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(a) Benefits paid as pensions would be replaced by a grant paid in a lump sum;
(b) compulsory medical and surgical treatment and supply of prosthetic equipment to be charged to the Insurance Institute;
(c) change in the amount of the benefits for temporary disability and increase of the minimum daily benefits.

In recent years the sums paid in benefits have largely increased and some benefits have been improved.

(a) *Contributions.*

150. Contributions have always been made by employers only.

(2) The Italian law regarding the prevention of accidents included, for occupational diseases, the following poisonings: (1) lead, (2) mercury, (3) phosphorus, (4) carbon sulphide, 5) benzol, (6) anaylostomiasis (industrial). By a law of 12 April 1943 (7) silicosis and (8) asbestosis were also included in the diseases for which insurance is compulsory. The insurance is limited in scope to poisoning caused by certain processes (and not therefore from all processes for which insurance against accidents is compulsory), and only if it reaches a particular and severe stage of morbidity (excluding therefore all other stages). This explains why the number of claims presented is small and why of the 979 claims made in 1945, only 553 were accepted. The largest number of claims is for lead poisoning.

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(i) *Industry.*

151. Contributions in industry vary according to the risk from a minimum of 0.6 % (hotel industry) to 18 % (explosives industry) up to a maximum 23.10 % for the pyrotechnical industry. The weighted average of the 600 tariffs amounts to about 3.50 % of the basic wages. As from 8 May 1946 this contribution is calculated on gross wages, i.e. including the various allowances and bonuses granted during recent years.

(ii) *Agriculture.*

152. The manner of paying contributions in agriculture differs from that followed in industry. Each year the National Accident Insurance Institute submits to the Finance Ministry a contributions estimate for the following year, and on this basis farmers are assessed. The Institute is under the supervision of the Ministry for Labour and Social Security.

153. For 1946 contributions of 700 million lire were requested for a total of 8 million insured persons. This is equal to 87.50 lire a year for each insured person, or to 0.29 lire per working day (300 working days in one year). The insurance applies to men, women and boys from 12 to 65 years old and is continued for men until they are 70.

(b) *Benefits.*

(i) *Industry.*

154. The benefits are:

(a) *Temporary disability.*

The daily benefit amounts to two thirds of the 300 (yearly working days) divided by 360 (days of the year) times the daily wage (of the gross wage as from 8 May 1946).

(b) *Permanent disability.*

The benefit for permanent disability is equal to two thirds of the salary up to a maximum salary of 12.000 lire per year. Thus the maximum benefit for a total disability would be 8,000 lire if the yearly salary is equal to or more than 12.000 lire.

155. Over and above these benefits there are:

a "war allowance" which varies according to the degree of disability. This bonus is:

from 50 % to 59 % disability, 200 lire per month;
from 60 % to 79 % disability, 250 lire per month;
from 80 % to 100 % disability, 300 lire per month.

a temporary cost of living bonus varying according to the degree of disability. This bonus is:

from 50 % to 59 % disability, 200 lire per month;
from 60 % to 79 % disability, 250 lire per month;
from 80 % to 100 % disability, 300 lire per month.

156. Therefore, the maximum yearly benefits that can be granted, as in June 1946, for permanent disability are: lire 8.000 basic + 1.260 war allowance + 2.400 additional allowance + 3.600 cost of living bonus = lire 15.260. A person suffering 80 % disability or more, needing continuous personal assistance, may claim on the basis of a total maximum salary allowed by law, i.e. 12.000 lire, so that the accident benefits may reach 19.260 lire.

(c) *Fatal Accident.*

157. In case of death arising out of an accident, a yearly pension of 8.000 lire is granted, 50 % of which goes to the widow. If there are surviving children each child is entitled to a quota equal to 20 % up to a total of 150 %, i.e. not above 12.000 lire a year for the surviving family.

158. A "cost of living bonus" equal to 3.600 lire a year is also granted. To this the "war allowance" must be added: it varies according to the number of surviving dependents. Its maximum amount is 450 lire for the widow and 180 lire for each child.

(ii) *Agriculture.*

159. By a decree of February 1946 the rates of benefit in agriculture were brought up to date. For accident causing a temporary disability a daily benefit ranging between 10 and 30 lire is granted. For a fatal accident or an accident causing a total permanent disability a lump sum grant of from 19,000 to 62.000 lire is paid.

160. The amount of benefit paid (for instance in 1942) was slightly less than half that paid out in sickness insurance (see Table 14). Most of the grants were paid to industrial workers; agricultural workers received about one tenth of the total benefit paid.

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(b) *Benefits.*

(i) *Industry.*

154. The benefits are:

(a) *Temporary disability.*

The daily benefit amounts to two thirds of the 300 (yearly working days) divided by 360 (days of the year) times the daily wage (of the gross wage as from 8 May 1946).

(b) *Permanent disability.*

The benefit for permanent disability is equal to two thirds of the salary up to a maximum salary of 12,000 lire per year. Thus the maximum benefit for a total disability would be 8,000 lire if the yearly salary is equal to or more than 12,000 lire.

155. Over and above these benefits there are:

a "war allowance" which varies according to the salary and the rate of disability up to a maximum of 1,200 lire a year;

an additional allowance varying also according to the salary, the rate of disability and the number of family dependents, up to a maximum of 2,400 lire per year;

from 60 % to 79 % disability, 250 lire per month;

from 80 % to 100 % disability, 300 lire per month.

156. Therefore, the maximum yearly benefits that can be granted, as in June 1946, for permanent disability are: lire 8,000 basic + 1,260 war allowance + 2,400 additional allowance + 3,600 cost of living bonus = lire 15,260. A person suffering 80 % disability or more, needing continuous personal assistance, may claim on the basis of a total maximum salary allowed by law, i.e. 12,000 lire, so that the accident benefits may reach 19,260 lire.

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(ii) *Agriculture.*

159. By a decree of February 1946 the rates of benefit in agriculture were brought up to date. For accident causing a temporary disability a daily benefit ranging between 10 and 30 lire is granted. For a fatal accident or an accident causing a total permanent disability a lump sum grant of from 19,000 to 62,000 lire is paid.

160. The amount of benefit paid (for instance in 1942) was slightly less than half that paid out in sickness insurance (see Table 14). Most of the grants were paid to industrial workers; agricultural workers received about one tenth of the total benefit paid.

(c) *Prevention of Accidents.*

161. The "Ente Nazionale di Propaganda per la Prevenzione degli Infortuni" (E.N.P.I. - National Organization Propagandizing the Prevention of Accidents) has been developed from three types of service:

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(a) Technical service, consisting of (i) tests and periodic checks of elevators; (ii) checks on electric installations for the purpose of preventing fires; tests and checks of centrifugal hydro-extractors, cranes, tackles, winches, etc.; (iii) visits to industrial firms to advise on safety rules for the prevention of accidents.

(b) Medical service, consisting of medical examination and provision of dispensaries in industries.

(c) Propaganda service, consisting of periodical and other publications, propaganda by posters, radio, moving pictures, gramophone records, competitions, exhibits and conferences.)

## *OTHER FORMS OF SOCIAL SECURITY IN FAVOR OF WORKERS*

### Family Allowances

162. Family allowances are available to all occupations, i.e. industry, agriculture, commerce, banking and insurance, etc. Allowances are granted varying according to the number of family dependents.

163. These allowances were made to workers in industry in a collective contract of December 1934. By decrees of June and July 1937, family allowances were granted to all occupations and by a law of August 1940 the Unified Fund for Family Allowances (Cassa Unica per Assegni Familiari) was established.

164. By decree of March 1941, family allowances were increased by contract and legal provisions; and in 1941 and 1942 benefits and relative contributions were doubled, except for agricultural workers.

165. By a law-decree of November 1944 family allowances were again increased and a supplementary "cost of living" bonus was granted. The contributions remained unchanged. Further improvements in the benefits were made by a law decree of August 1945.

#### (a) *Contributions.*

166. At present contributions are as follows: for *industry* (manual and office workers) 20 % of wages or salaries: for *agriculture* (permanent and daily paid manual workers) 1.50 lire for each working day, (office workers) 20 % of salary: for *commerce* (manual and office workers) 14.80 % of salary: for *banking and insurance* (manual and office workers) from 20.40 % to 38.50 % of wages or salaries.

#### (b) *Benefits.*

167. Allowances are as follows:

TABLE 17

Family Allowances: Benefits by Occupational Category: 1946

| | Industry (lire per week) | Agriculture (lire per day) | Commerce (lire per month) | Banking and Insurance (lire per month) |
|---|---|---|---|---|
| a) Manual workers | | | | |
| For each child . . | 78 | 1.00 | 311 | from 329 to 351 |
| For wife . . . | 84 | 1.45 | 323 | 355 |
| For each parent . . | 69 | 0.80 | 275 | 303 |
| | Industry and Agriculture (lire per month) | | | |
| b) Office workers | | | | |

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for the prevention of accidents.

(b) Medical service, consisting of medical examination and provision of dispensaries in industries.

(c) Propaganda service, consisting of periodical and other publications, propaganda by posters, radio, moving pictures, gramophone records, competitions, exhibits and conferences.)

## *OTHER FORMS OF SOCIAL SECURITY IN FAVOR OF WORKERS*

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|---|---|---|---|---|
| *a*) Manual workers | | | | |
| For each child . . | 78 | 1.00 | 311 | from 329 to 351 |
| For wife . . . | 84 | 1.15 | 323 | 355 |
| For each parent . . | 69 | 0.80 | 275 | 303 |
| | Industry and Agriculture (lire per month) | | | |
| *b*) Office workers | | | | |
| For each child . . | 390 | | 359 | from 383 to 524 |
| For wife . . . | 416 | | 371 | „ 407 „ 537 |
| For each parent . . | 338 | | 299 | „ 342 „ 407 |

Source: I.N.P.S.

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168. For industry, allowances in 1946 for a family consisting of a man, wife and 2 children, are for a manual worker 4.6 and for an office worker 3.66 times the allowances in 1942.

169. The administration of family allowances is entrusted to the National Institute for Social Security. In 1942 the total contributions greatly exceeded the total contributions for all other forms of insurance, together. The high percentages of contributions result from the calculation of contributions on gross wages (see Table 14). In 1942, out of a total of contributions of 6,347 million lire, 5,214 million were paid by industry. Of the benefits granted, amounting to 6,222 million lire, 5,073 million were paid by industry.

## Fund for Workers Working Part Time

170. This form of insurance is restricted to industry and was originally established in the collective labor contracts of June and July 1941. This fund supplements the pay received by workers working part-time owing to slack conditions in the firm in which they are employed.

### (a) *Contributions.*

171. The provisions regarding contributions are:

(a) As from 1 June 1946 the employer pays 3.50 % of the total gross wages paid to workers on a maximum wage of 6,250 lire for Central and Southern Italy and with no maximum wage limit for Northern Italy.

(b) The Government pays an amount equal to that paid by the employer.

### (b) *Benefits.*

172. The Fund, i.e. Wages Integration Fund, pays industrial workers in benefits two thirds for time lost between 24 and 40 hours per week; workers who get this supplement to their pay are paid also full family allowances. The supplement is paid by the employer, who is refunded from the Fund (see para. 174). This arrangement applies to Central and Southern Italy.

173. A decree of November 1945, which repealed the decree No. 523 of 21 August 1945, makes the following special provisions for Northern Italy:

(iii) workers whose dismissal is provided for by law (1) are entitled to a supplementary salary for 60 days from the date of dismissal, over and above the allowances provided by law or by collective labor contracts and over and above the full family allowances.

The provisions under (i) and (ii) for Northern Italy may be extended to other provinces.

174. The contributions and benefits under the Fund for manual and office workers working part-time in industry during the first quarter of 1946 are:

TABLE 18

Fund for Workers Working Part-Time

Wages Integration Fund, 1946

| Date | Benefits | Contributions | Deficit |
|---|---|---|---|
| | in thousands of lire | | |
| 1946 January | 459,675 | 158,338 | 301,337 |
| February | 755,390 | 137,321 | 618,069 |
| March | 683,942 | 172,436 | 511,506 |
| Total 1st quarter | 1,899,007 | 468,095 | 1,430,912 |
| 1946 April | 830,667 | 241,240 | 589,627 |
| May | 716,352 | 312,753 | 403,599 |

Source: I.N.P.S.

As the deficit occurring in the Fund for workers working part-time cannot be covered by the National Institute of Social Security, the deficit is now met by advances made by the State to the National Institute.

## Fund for Military Reservists Redrafted to Armed Services (Re-Inductees)

175. This fund was established in June 1940 for the purpose of compensating for the difference between civilian pay and pay in the armed forces, and was extended to include all occupations (agriculture, industry, commerce, banking and insurance, professional workers and artists). The fund has two separate accounts: for clerical and manual workers. For clerical workers

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trusted to the National Institute for Social Security. In 1942 the total contributions greatly exceeded the total contributions for all other forms of insurance, together. The high percentages of contributions result from the calculation of contributions on gross wages (see Table 14). In 1942, out of a total of contributions of 6,347 million lire, 5,214 million were paid by industry. Of the benefits granted, amounting to 6,222 million lire, 5,073 million were paid by industry.

### Fund for Workers Working Part Time

170. This form of insurance is restricted to industry and was originally established in the collective labor contracts of June and July 1941. This fund supplements the pay received by workers working part-time owing to slack conditions in the firm in which they are employed.

(a) *Contributions.*

171. The provisions regarding contributions are:

(a) As from 1 June 1946 the employer pays 3.50 % of the total gross wages paid to workers on a maximum wage of 6,250 lire for Central and Southern Italy and with no maximum wage limit for Northern Italy.

(b) The Government pays an amount equal to that paid by the employer.

(b) *Benefits.*

172. The Fund, i.e. Wages Integration Fund, pays industrial workers in benefits two thirds for time lost between 24 and 40 hours per week; workers who get this supplement to their pay are paid also full family allowances. The supplement is paid by the employer, who is refunded from the Fund (see para. 174). This arrangement applies to Central and Southern Italy.

173. A decree of November 1945, which repealed the decree No. 523 of 21 August 1945, makes the following special provisions for Northern Italy:

(i) both manual and clerical workers are entitled to supplementary assistance for any working time lost up to 40 hours per week;

(ii) 40 hours are the maximum that can be worked in a week;

The provisions under (i) and (ii) for Northern Italy may be extended to other provinces.

174. The contributions and benefits under the Fund for manual and office workers working part-time in industry during the first quarter of 1946 are:

TABLE 18

Fund for Workers Working Part-Time
Wages Integration Fund, 1946

| Date | Benefits | Contributions | Deficit |
|---|---|---|---|
| | in thousands of lire | | |
| 1946 January | 459,675 | 158,338 | 301,337 |
| February | 755,390 | 137,321 | 618,069 |
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| Total 1st quarter | 1,899,007 | 468,095 | 1,430,912 |
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| May | 716,352 | 312,753 | 403,599 |

Source: I.N.P.S.

As the deficit occurring in the Fund for workers working part-time cannot be covered by the National Institute of Social Security, the deficit is now met by advances made by the State to the National Institute.

### Fund for Military Reservists Redrafted to Armed Services (Re-Inductees)

175. This fund was established in June 1940 for the purpose of compensating for the difference between civilian pay and pay in the armed forces, and was extended to include all occupations (agriculture, industry, commerce, banking and insurance, professional workers and artists). The fund has two separate accounts: for clerical and manual workers. For clerical workers the fund covers all occupations and for manual workers it covers industry only.

(1) E.g. where legislative steps are taken for block dismissals of employees.

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*Clerical Workers Recalled to Armed Services.*

(a) *Contributions.*

176. By a decree of August 1942 contributions paid by the employers are equal to 5 % of the gross salary (maximum individual gross salary 3.600 lire per month). By a lawdecree of June 1946 the contributions were reduced to 2.50 % and the maximum gross salary was raised to 6.250 lire.

(b) *Benefits.*

177. The Fund pays the salary to the employee called to the armed forces from the Reserve (and also to prisoners of war as well as to families of civilians who have been interned).

178. Compensation equal to civilian wages is given to military re-inductees for the first two months of service in the armed forces. After this period and up to the point of discharge, where the military pay is lower than the civilian wage, a monthly compensation is paid equal to the difference between these two incomes. Enlisted men are entitled to the rates of civilian wages in addition to military pay for the duration of their service.

*Manual Workers in Industry Recalled to Armed Services.*

(a) *Contributions.*

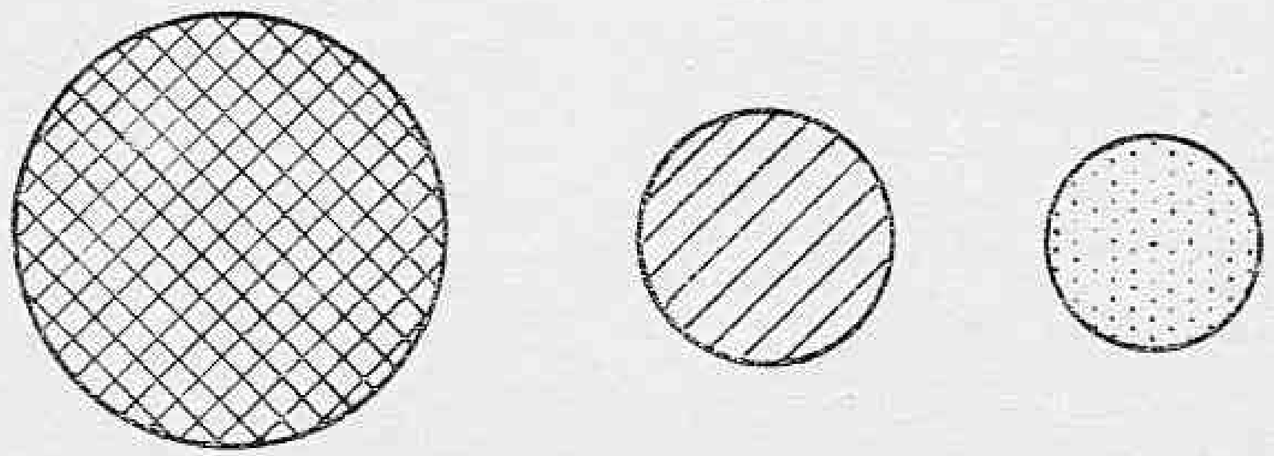
179. In accordance with the collective contract of July 1942, the contributions paid are equal to 1 % of the gross wages (the maximum individual gross wage is 3,600 lire a month). By a law-decree of June 1946 the contribution was reduced to 0.50 % and the maximum individual gross wage increased to 6,250 lire per month (the same figure as for clerical workers). In all cases the contributions are paid by the employer.

(b) *Benefits.*

180. The benefit amounts to a 14 days wage (calculated from the wages cashed at the time of recall to the armed services). A Xmas bonus is also paid to manual workers in industry. This bonus is equal to 200 hours of wages.

TABLE 19

COMPARISONS BETWEEN STATE REVENUE (ENTRATE EFFETTIVE), CONTRIBUTIONS AND BENEFITS OF THE SOCIAL INSURANCE AND SECURITY SYSTEM IN 1942



TOTAL STATE REVENUE

TOTAL

TOTAL

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(maximum individual gross salary 3,600 lire per month). By a lawdecree of June 1946 the contributions were reduced to 2.50 % and the maximum gross salary was raised to 6.250 lire.

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177. The Fund pays the salary to the employee called to the armed forces from the Reserve (and also to prisoners of war as well as to families of civilians who have been interned).

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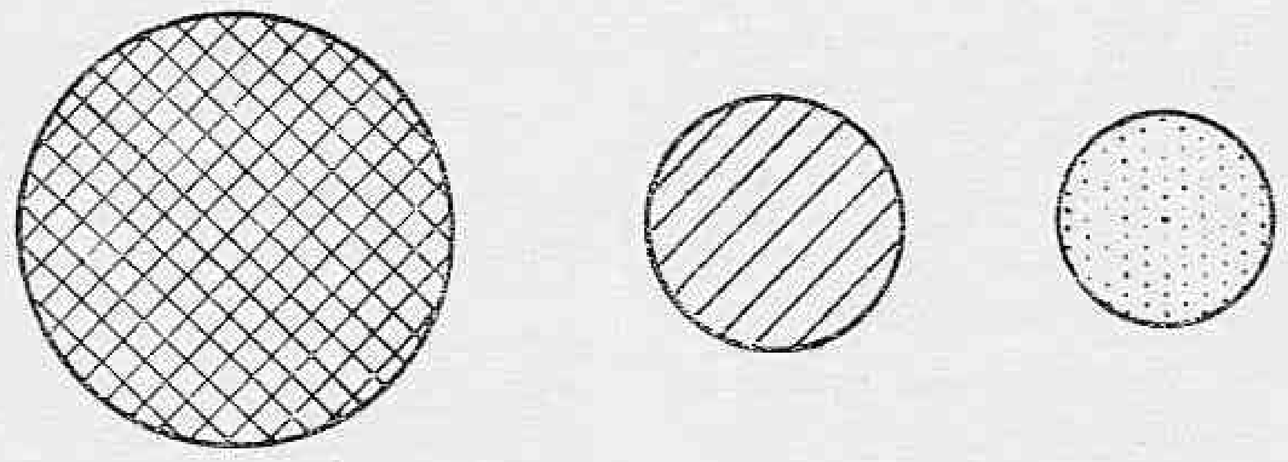

| | TOTAL STATE REVENUE (ENTRATE EFFETTIVE) | TOTAL CONTRIBUTIONS | TOTAL BENEFITS |
|---|---|---|---|
| Million lire | 38,558 | 13,441 | 10,572 |

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181. The National Institute for Social Security pays the family allowances to manual workers in all occupations (industry, agriculture, commerce, banking and insurance). Every three months the Institute submits a voucher of expenses to the State, which refunds the expenses.

*General.*

182. In 1942 out of a total 365 million lire of contributions in respect of recalled Reservists (see Table 14), 280 million were paid by industry. Benefits, amounting to 1.082.6 million, were granted in the following manner: 675.9 million lire to industrial workers; 226.4 million to workers in commerce; 165.4 million to employees in banking and insurance; 7.9 million to agricultural workers and 7.0 million to employed professional and cultural workers.

*SUMMARY*

183. The Italian Providential and Insurance system, described in the preceding paragraphs, benefits workers and employees of all branches of economic activity: (a) by the payment of indemnities (family allowances) to heads of families in addition to the individual's salary. This tends to create a "social salary" proportionate to the size of the family; (b) by giving assistance during difficult times (total or partial unemployment, illness, tuberculosis, accidents at work and embodiment in the armed forces); (c) by grants on occasions which entail unusual expenses (marriages and births); (d) by providing for the time when work is no longer possible (disability, old age, death).

184. As in other advanced countries the major function which must be exercised by Government in dealing with social security problems, some of which are outside the control of the employer and the worker has long been recognized in Italy. The wide field of insurance and welfare has been covered, in the main gradually, over a period of more than thirty years with legislation and the creation from time to time of special institutions (Maternity Institutes, National Institute for Accidents, National Institute of Social Providence, etc.) This evolutionary development explains on the one hand the complexity of the legislation which has been modified

185. Further complications of an economic and financial character have arisen during recent years as a consequence of war and inflation which have made benefits inadequate. Attempts to adjust insurance benefits and contributions to the altered purchasing power of the lire proceeded by purely empirical methods, and with different results in the different types of insurances. An important change was made on 1 June 1946 in the system of deduction of contributions when all the social charges, formerly met in part by the employees, were transferred to the employers.

186. Apart from the necessity of increasing the value of benefits, a complete overhaul of the various insurance schemes will be needed to co-ordinate and in particular, to simplify their organisation. The problem is being explored by the Government and by workers' and employers' organizations.

187. The insurance system, apart from being an important element in the social policy of the Government, represents an appreciable charge on the National Economy, as may be seen from a comparison (for the year 1942) between the value of contributions and benefits and that of the total national income (see graph - Table 19).

188. The State insurance and security system in Italy is compulsory. There is also, however, a large number of private Italian insurance firms in Italy. These firms, which provide life insurance and insurance against damages, had numerous branches abroad as well as in Italy.

189. Before the war the Istituto Nazionale Assicurazioni (INA - National Insurance Institute)—a semi-public organization—and 21 private Italian agencies under Government supervision were engaged in providing life insurance. The Government fixed a uniform premium and ruled that a proportion of each company's insurance should be reinsured with the National Insurance Institute. Of the 7.2 thousand million lire reserves (riserve matematiche), held by all insurance companies, 5.5 thousand million lire are National Insurance Institute reserves. Insurance other than life insurance covers accidents, illness, fire, theft, travel, risks, damage by hail, loss of cattle, etc.

190. Another type of insurance in Italy is provided by various professional groups. For example—the Association for the provision of pensions to local gov-

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expenses.

*General.*

182. In 1942 out of a total 365 million lire of contributions in respect of recalled Reservists (see Table 14), 280 million were paid by industry. Benefits, amounting to 1,082.6 million, were granted in the following manner: 673.9 million lire to industrial workers: 226.4 million to workers in commerce; 165.4 million to employees in banking and insurance: 7.9 million to agricultural workers and 7.0 million to employed professional and cultural workers.

## *SUMMARY*

183. The Italian Providential and Insurance system, described in the preceding paragraphs, benefits workers and employees of all branches of economic activity: (a) by the payment of indemnities (family allowances) to heads of families in addition to the individual's salary. This tends to create a "social salary" proportionate to the size of the family: (b) by giving assistance during difficult times (total or partial unemployment, illness, tuberculosis, accidents at work and embodiment in the armed forces): (c) by grants on occasions which entail unusual expenses (marriages and births): (d) by providing for the time when work is no longer possible (disability, old age, death).

184. As in other advanced countries the major function which must be exercised by Government in dealing with social security problems, some of which are outside the control of the employer and the worker has long been recognized in Italy. The wide field of insurance and welfare has been covered, in the main gradually, over a period of more than thirty years with legislation and the creation from time to time of special institutions (Maternity Institutes, National Institute for Accidents, National Institute of Social Providence, etc.) This evolutionary development explains on the one hand the complexity of the legislation which has been modified and improved during the course of time under the influence of modern social principles and of various changes in the Italian economy: and on the other hand it explains the lack of co-ordination among the different insurance systems each of which has been developed almost independently.

methods, and with different results in the different types of insurances. An important change was made on 1 June 1946 in the system of deduction of contributions when all the social charges, formerly met in part by the employees, were transferred to the employers.

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189. Before the war the Istituto Nazionale Assicurazioni (INA - National Insurance Institute)—a semi-public organization—and 21 private Italian agencies under Government supervision were engaged in providing life insurance. The Government fixed a uniform premium and ruled that a proportion of each company's insurance should be reinsured with the National Insurance Institute. Of the 7.2 thousand million lire reserves (riserve matematiche), held by all insurance companies, 5.5 thousand million lire are National Insurance Institute reserves. Insurance other than life insurance covers accidents, illness, fire, theft, travel, risks, damage by hail, loss of cattle, etc.

190. Another type of insurance in Italy is provided by various professional groups. For example—the Association for the provision of pensions to local government employees (La Cassa Previdenza per le pensioni agli impiegati e salariati di Enti locali) had 124,000 members in 1940; the elementary school teachers pensions Institute (Il Monte Pensioni per gli insegnanti delle scuole pubbliche elementari) had 123,500 members in 1940: and the Medical Workers' pensions

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association (la Cassa di Previdenza per le pensioni dei sanitari) had 14.000 members in 1940.

191. A summary of the main characteristics of Italian social security is shown in Table 20 where comparison is made of the systems in Italy, the United States and Great Britain.

192. In considering the value of the benefits shown for Italy, it should be noted that the average monthly expenses of a normal Italian worker's family (2 adults 3 children) on food alone (1,700 calories per diem per person) were, in June 1946, approximately 13.000 to 15.000 lire ($66.40 at the exchange rate of 225 lire).

193. With the end of the war the fund for re-inductees is drawn on only for the payment of outstanding benefits.

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## Comparison of National Insurance in Italy, United States and United Kingdom: 1946

*(NOTE: In Italy, workers in 1946 pay no contributions. These are all paid by employers)*

| TYPE OF INSURANCE | ITALY | U.S. (4) | U.K. (5) |
|---|---|---|---|
| Invalidity (1), old age and surviving dependants. | From 1 June 1946 all contributions in all schemes are paid by employers.<br>*Contributions:*<br>Industry { manual workers 114.30 lire per week (0.51 dollars) (2); office workers 649.50 lire per month (2.89 dollars)<br>Agricultural workers 21.21 lire per week (0.09 dollars).<br>*Benefits:*<br>Disability:<br>8,640 lire (men) (38.40 dollars) a year<br>6,480 „ (women) (28.80 dollars) a year<br>Old age:<br>10,800 lire (men over 65) (48.00 dollars) a year<br>8,640 „ (women over 60) (38.40 dollars) a year<br>Dependants of insured persons who die are entitled to continued enjoyment of the pension.<br>The insurance applies to all trades. | *Contributions:*<br>1 % of wages paid by worker<br>1 % „ „ „ „ employer<br>To be increased gradually to 3 % by worker and 3 % by employer.<br>*Benefits:*<br>40 % of first 50 dollars of monthly wage; 10 % of remainder of wage, plus small percentage increases for each year of work.<br>Compulsory insurance for industrial worker only.<br>It applies to all establishments of 8 or more employees and covers over half the working population; 75 % to 80 % are completely or partly covered. | *Contributions:*<br>See Table 20A.<br>*Benefits:*<br>26 shillings per week (5.20 do ment (or at age of 65 fo woman). Plus 16 shilling wife.<br>Lower rates will in general women.<br>Death grant of £20 (80 dolla<br>Widow's Allowance (first 13 (7.20 dollars) a week.<br>Widowed mother's Allowance dollars) a week.<br>Widow's Pension 26 shillin week.<br>Guardian's allowance 12 shi a week. |
| | *National benefit* (3):<br>40 dollars (9,000 lire) per year. | *National benefit* (3):<br>396 dollars per year. | *National benefit* (3):<br>270.40 dollars per year (26 |

(1) U.S. Does not include invalidity insurance.
(2) Lire are converted to U.S. dollars at 225 lire the dollar in all cases. Shillings are converted at 5 to dollar.
(3) Notional Benefit - this is an approximate figure taken to give a rough indication of the differences between the various rates of benefit in the three coun
(4) *Source:* RICHARD A. LESTER – Economics of Labor (MACMILLAN 1941).
(5) National Insurance Bill 1946 – H. M. Stationery Office, Cmd 6729 and other Sources.

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## Comparison of National Insurance in Italy, United States and United Kingdom: 1946

*(NOTE: In Italy, workers in 1946 pay no contributions. These are all paid by employers)*

| ANCE | ITALY | U.S. (4) | U.K. (5) |
|---|---|---|---|
| ge and nts. | From 1 June 1946 all contributions in all schemes are paid by employers.<br>*Contributions:*<br>Industry { manual workers 114.30 lire per week (0.51 dollars) (2)<br>{ office workers 619.50 lire per month (2.89 dollars)<br>Agricultural workers 21.21 lire per week (0.09 dollars).<br>*Benefits:*<br>Disability:<br>8,640 lire (men) (38.40 dollars) a year<br>6,480 .. (women) (28.80 dollars) a year<br>Old age:<br>10,800 lire (men over 65) (48.00 dollars) a year<br>8,640 .. (women over 60) (38.40 dollars) a year<br>Dependants of insured persons who die are entitled to continued enjoyment of the pension.<br>The insurance applies to all trades.<br>*National benefit* (3):<br>40 dollars (9,000 lire) per year. | *Contributions:*<br>1 % of wages paid by worker<br>1 % .. .. .. .. employer<br>To be increased gradually to 3 % by worker and 3 % by employer.<br>*Benefits:*<br>40 % of first 50 dollars of monthly wage; 10 % of remainder of wage, plus small percentage increases for each year of work.<br>Compulsory insurance for industrial worker only.<br>It applies to all establishments of 8 or more employees and covers over half the working population; 75 % to 80 % are completely or partly covered.<br>*National benefit* (3):<br>396 dollars per year. | *Contributions:*<br>See Table 20A.<br>*Benefits:*<br>26 shillings per week (5.20 dollars) (2) for retirement (or at age of 65 for a man and 60 a woman). Plus 16 shillings (3.20 dollars) for wife.<br>Lower rates will in general be paid to married women.<br>Death grant of £20 (80 dollars).<br>Widow's Allowance (first 13 weeks) 36 shillings (7.20 dollars) a week.<br>Widowed mother's Allowance 33.5 shillings (6.7 dollars) a week.<br>Widow's Pension 26 shillings (5.20 dollars) a week.<br>Guardian's allowance 12 shillings (2.40 dollars) a week.<br>*National benefit* (3):<br>270.40 dollars per year (26 shillings per week). |

not include invalidity insurance.
nverted to U.S. dollars at 225 lire the dollar in all cases. Shillings are converted at 5 to dollar.
enefit - this is an approximate figure taken to give a rough indication of the differences between the various rates of benefit in the three countries.
RICHARD A. LESTER – Economics of Labor (MACMILLAN 1941).
nsurance Bill 1946 – H. M. Stationery Office, Cmd 6729 and other Sources.

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| TYPE OF INSURANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| Unemployment | *Contributions:*<br>Manual workers 64.24 lire (0.29 dollars) per week.<br>Office workers 259.80 lire (1.15 dollars) per month<br><br>*Benefits:*<br>Daily:<br>Manual workers 52.50-57.00 lire (0.23-0.25 dollars).<br>Office workers 54.00-62.00 lire (0.24-0.28 dollars).<br>Plus 8.50-9.20 lire (0.038-0.04 dollars) per day for each child under 16 or (for insured office workers) under 18.<br>Period of benefit not to exceed 180 days each year.<br>Seasonal workers not entitled to these benefits.<br>This insurance does not apply to agriculture<br><br>*National benefit* (3):<br>(man with 3 children)<br>1.68 dollars (378 lire) per week. | *Contributions:*<br>(generally only by employer)<br>3 % tax on payroll (for first 3000 dollars of each employees annual salary).<br><br>*Benefits:*<br>Approximately 50 % of wages.<br>Minimum 5 dollars weekly<br>Maximum 15 dollars weekly } in most States<br>Period of benefit not to exceed 14-16 weeks per year.<br>Regulations differ between States but in general unemployment insurance applies to establishments having more than 8 employees.<br>The insurance is mainly for industrial workers and covers a large proportion of the total working population.<br><br>*National benefit:*<br>9 dollars per week. | *Contributions:*<br>See Table 20A.<br><br>*Benefits:*<br>26 shillings per week (5.20<br>Plus 16 shillings (5.20 dol<br>or other adult dependen<br>person (4.50 dollars) a we<br>Lower rates will in genera<br>women.<br>Period of benefit not de<br>Scheme will be reviewed<br><br>*National benefit:*<br>(man with 3 children)<br>9.90 dollars (49 shillings 6 |

(3) See note on previous page.

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| URANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| nt | *Contributions:*<br>Manual workers 61.24 lire (0.29 dollars) per week.<br>Office workers 259.80 lire (1.15 dollars) per month. | *Contributions:*<br>(generally only by employer)<br>3 % tax on payroll (for first 3000 dollars of each employees annual salary). | *Contributions:*<br>See Table 26A. |
| | *Benefits:*<br>Daily:<br>Manual workers 52.50-57.00 lire (0.23-0.25 dollars).<br>Office workers 51.00-62.00 lire (0.24-0.28 dollars).<br>Plus 8.50-9.20 lire (0.038-0.04 dollars) per day for each child under 16 or (for insured office workers) under 18.<br>Period of benefit not to exceed 180 days each year.<br>Seasonal workers not entitled to these benefits.<br>This insurance does not apply to agriculture. | *Benefits:*<br>Approximately 50 % of wages.<br>Minimum 5 dollars weekly<br>Maximum 15 dollars weekly } in most States<br>Period of benefit not to exceed 14-16 weeks per year.<br>Regulations differ between States but in general unemployment insurance applies to establishments having more than 8 employees.<br>The insurance is mainly for industrial workers and covers a large proportion of the total working population. | *Benefits:*<br>26 shillings per week (5.20 dollars).<br>Plus 16 shillings (3.20 dollars) a week for wife or other adult dependent and 7 shillings 6 pence (1.50 dollars) a week for first child.<br>Lower rates will in general be paid to married women.<br>Period of benefit not defined but not limited. Scheme will be reviewed in 1951. |
| | *Notional benefit* (3):<br>(man with 3 children)<br>1.68 dollars (378 lire) per week. | *Notional benefit:*<br>9 dollars per week. | *Notional benefit:*<br>(man with 3 children)<br>9.90 dollars (49 shillings 6 pence) a week. |

e on previous page.

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| TYPE OF INSURANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| Marriage and Birth | *Contributions:*<br>5.30 lire (0.03 dollars) per month.<br><br>*Benefits:*<br>On marriage 100-1,000 lire (1.78-4.44 dollars).<br>Births 150-160 lire per child (0.67-1.78 dollars).<br><br>*National benefit:*<br>(marriage and birth of child)<br>5.07 dollars (1,140 lire). | No National Insurance Scheme.<br><br>See Addendum, para. (d) | *Contributions:*<br>See Table 20A.<br><br>*Benefits:*<br>Maternity grant £4 (16 dollars)<br>Maternity allowance (for 13 w<br>(7.20 dollars) a week.<br>Attendance allowance (for 4 w<br>(4 dollars).<br><br>*National benefit:*<br>Paid in instalments as abo<br>dollars. |
| Sickness | *Contributions:*<br>Manual workers 5 % of gross total wages<br>Office " 3 % " " " "<br>Agricultural workers from 1.4 lire (0.006 dollars) to 6.10 lire (0.03 dollars) per day.<br><br>*Benefits:*<br>Free medical attention is given to all categories of insured workers and their families.<br>Financial assistance is as follows:<br>Manual workers 50 % of daily average total wages. 1,000 lire (1.44 dollars) bonus for medical expenses of childbirth. 2,000 lire (8.88 dollars) allowance for death.<br>Office workers, 2,500 lire (11.11 dollars) as maximum refund for hospital or sanatorium expenses plus 50 % of any excess expenses. 3,000 lire (13.33 dollars) for any surgical operation performed at the home of the worker.<br>Agricultural workers receive an allowance from 16 lire (0.07 dollars) to 60 lire (0.27 dollars) per day. | No National Insurance Scheme.<br><br>See Addendum, para. (b) | *Contributions:*<br>See Table 20A.<br><br>*Benefits:*<br>5.20 dollars (26 shillings) per<br>will in general be paid to t<br>Wife or other adult dependa<br>lings and 7 shillings and<br>child. |

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TABLE 20 Contd.)

| ANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| irth | *Contributions:*<br>5.70 lire (0.03 dollars) per month.<br>*Benefits:*<br>On marriage 400-1,000 lire (1.78-1.44 dollars).<br>Births 150-400 lire per child (0.67-1.78 dollars).<br>*National benefit:*<br>(marriage and birth of child)<br>5.07 dollars (1,140 lire). | No National Insurance Scheme.<br>See Addendum, para. (d) | *Contributions:*<br>See Table 20A.<br>*Benefits:*<br>Maternity grant £4 (16 dollars).<br>Maternity allowance (for 13 weeks) 36 shillings (7.20 dollars) a week.<br>Attendance allowance (for 4 weeks) 20 shillings (4 dollars).<br>*National benefit:*<br>Paid in instalments as above (£31.8) 125.60 dollars. |
| | *Contributions:*<br>Manual workers 5 % of gross total wages<br>Office " 3 % " " " "<br>Agricultural workers from 1.4 lire (0.006 dollars) to 6.10 lire (0.03 dollars) per day.<br>*Benefits:*<br>Free medical attention is given to all categories of insured workers and their families.<br>Financial assistance is as follows:<br>Manual workers 50 % of daily average total wages. 1,000 lire (1.44 dollars) bonus for medical expenses of childbirth. 2,000 lire (8.88 dollars) allowance for death.<br>Office workers, 2,500 lire (11.11 dollars) as maximum refund for hospital or sanatorium expenses plus 50 % of any excess expenses. 3,000 lire (13.33 dollars) for any surgical operation performed at the home of the worker.<br>Agricultural workers receive an allowance from 16 lire (0.07 dollars) to 60 lire (0.27 dollars) per day. | No National Insurance Scheme.<br>See Addendum, para. (b). | *Contributions:*<br>See Table 20A.<br>*Benefits:*<br>5.20 dollars (26 shillings) per week. Lower rates will in general be paid to married women.<br>Wife or other adult dependent receive 16 shillings and 7 shillings and 6 pence for first child. |

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| TYPE OF INSURANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| Accidents | *Contributions:*<br><br>Industry: average contribution about 3.5 % of wages.<br><br>Agriculture: average contribution of 87.50 lire per year (0.39 dollars).<br><br>*Benefits:*<br><br>(a) *Industry.*<br><br>Temporary—2/3 of wage.<br><br>Permanent—2/3 of salary up to maximum salary of 12,000 lire (53.33 dollars) per year i.e. maximum of 8,000 lire (35.56 dollars) per year for 100 % disability.<br><br>Additional benefits (war allowances, etc.) may bring maximum up to 19,260 lire (85.60 dollars) per year for permanent injury.<br><br>Fatal accident 15,600 lire (69.33 dollars) per year to surviving dependant plus 150 lire (2.00 dollars) per annum for widow and 150 lire (0.80 dollars) for each child.<br><br>(b) *Agriculture.*<br><br>Temporary—10-30 lire daily (0.01-1.33 dollars).<br><br>Fatal accident or permanent total disability 19-62,000 lire grant (81.11-275.56 dollars).<br><br>*National benefit:*<br><br>(Permanent 100 % disability)<br><br>50 dollars (11,250 lire) per year. | No National Insurance Scheme.<br><br>See Addendum, para. (e). | (National Insurance Industrial<br><br>*Contributions:*<br><br>By all insured workmen and<br><br>4d per week by employer<br>3d " " " worker<br><br>3d " " " employer<br>2d " " " worker<br><br>*Benefits:*<br><br>Single man or woman 60 shi<br><br>Single man or woman with shillings per week.<br><br>Married man 76 shillings per<br><br>Married man with child 83.5<br><br>*National benefit:*<br><br>(Permanent 100 % disability)<br><br>624 dollars (£156) per year. |

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| RANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| | *Contributions:*<br>Industry: average contribution about 3.5 % of wages.<br>Agriculture: average contribution of 87.50 lire per year (0.39 dollars). | No National Insurance Scheme.<br>See Addendum, para. (c). | (National Insurance Industrial Injuries Bill 1946).<br>*Contributions:*<br>By all insured workmen and their employers.<br>4d per week by employer } adult men<br>3d " " " worker }<br>3d " " " employer } adult women<br>2d " " " worker } |
| | *Benefits:*<br>(a) *Industry.*<br>Temporary—2/3 of wage.<br>Permanent—2/3 of salary up to maximum salary of 12,000 lire (53.33 dollars) per year i.e. maximum of 8,000 lire (35.56 dollars) per year for 100 % disability.<br>Additional benefits (war allowances, etc.) may bring maximum up to 19,260 lire (85.60 dollars) per year for permanent injury.<br>Fatal accident 15,600 lire (69.33 dollars) per year to surviving dependant plus 150 lire (2.00 dollars) per annum for widow and 180 lire (0.80 dollars) for each child.<br>(b) *Agriculture.*<br>Temporary—10-30 lire daily (0.04-1.33 dollars).<br>Fatal accident or permanent total disability 19-62,000 lire grant (84.14-275.56 dollars). | | *Benefits:*<br>Single man or woman 60 shillings per week.<br>Single man or woman with adult dependant 76 shillings per week.<br>Married man 76 shillings per week.<br>Married man with child 83.5 shillings per week. |
| | *Notional benefit:*<br>(Permanent 100 % disability)<br>50 dollars (11,250 lire) per year. | | *Notional benefit:*<br>(Permanent 100 % disability)<br>624 dollars (£156) per year. |

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| TYPE OF INSURANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| Family Allowances | *Contributions:*<br>Industrial workers—20 % of wages.<br>Agricultural workers—1.50 lire (0.007 dollars) each working day.<br>Agricultural office workers—20 % of wages.<br>Commerce 14.80 % of wages.<br>Banking and insurance workers 29.40 to 38.50 % of wages.<br><br>*Benefits:*<br>Industry: *manual workers* (lire per week)<br>for each child 78 ($0.35)<br>for a wife 84 ($0.37)<br>for each parent 69 ($0.31)<br>Agriculture: *manual workers* (lire per day)<br>for each child 1.00 ($0.004)<br>for a wife 1.45 ($0.006)<br>for each parent 0.80 ($0.0035)<br>Commercial & Professional: *manual workers* (lire per month)<br>for each child 311 ($1.38)<br>for a wife 323 ($1.44)<br>for each parent 275 ($1.22)<br>Banking & Insurance: *manual workers* (lire per month)<br>for each child 329-351 ($1.46-1.56)<br>for a wife 355 ($1.50)<br>for each parent 303 ($1.35)<br>Commercial & Professional: *office workers* (lire per month)<br>for each child 390 ($1.73)<br>for a wife 416 ($1.85)<br>for each parent 338 ($1.50)<br>Banking & Insurance: *office workers* (lire per month)<br>for each child 390 ($1.73)<br>for a wife 416 ($1.85)<br>for each parent 338 ($1.50)<br>Commercial & Professional: *office workers* (lire per month)<br>for each child 359 ($1.60)<br>for a wife 371 ($1.65)<br>for each parent 299 ($1.33)<br>Banking & Insurance: *office workers* (lire per month)<br>for each child 383-524 ($1.70-2.33)<br>for a wife 407-557 ($1.81-2.39)<br>for each parent 342-467 ($1.52-1.81)<br><br>*National benefit:*<br>(office worker with wife and 3 children)<br>7.05 dollars (1,586 lire). | No National Insurance Scheme.<br><br>See Addendum, para. (c). | Family Allowances Bill, 1946.<br>*Contributions:*<br>Paid by Exchequer.<br><br>*Benefits:*<br>5 shillings a week for every child except the first.<br>(Additional family allowances for dependents to persons receiving sickness or old age (retirement |

*National benefit:*
(man with wife and 3 children)
8 dollars (£2.0.0) per month.

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TABLE 29 (Contd.)

| FRANCE | ITALY | U.S. | U.K. |
|---|---|---|---|
| | *Contributions:*<br>Industrial workers—20 % of wages.<br>Agricultural workers—1.50 lire (0.001 dollars) each working day.<br>Agricultural office workers—20 % of wages.<br>Commerce 14.80 % of wages.<br>Banking and insurance workers 20.40 to 38.50 % of wages. | No National Insurance Scheme.<br><br>See Addendum, para. (c). | Family Allowances Bill, 1946.<br>*Contributions:*<br>Paid by Exchequer. |
| | *Benefits:*<br>Industry (lire per week) / Agriculture (lire per day)<br>*manual workers*<br>for each child 78 ($0.35) / 1.00 ($0.004)<br>for a wife 84 ($0.37) / 1.45 ($0.006)<br>for each parent 69 ($0.31) / 0.80 ($0.0035)<br><br>Commercial & Professional (lire per month) / Banking & Insurance (lire per month)<br>*manual workers*<br>for each child 311 ($1.38) / 328-351 ($1.46-1.56)<br>for a wife 323 ($1.44) / 355 ($1.50)<br>for each parent 275 ($1.22) / 303 ($1.35)<br><br>*office workers* (lire per month) / (lire per month)<br>for each child 390 ($1.73) / 390 ($1.73)<br>for a wife 416 ($1.85) / 416 ($1.85)<br>for each parent 338 ($1.50) / 338 ($1.50)<br><br>*office workers* (lire per month) / (lire per month)<br>for each child 359 ($1.60) / 383-524 ($1.70-2.33)<br>for a wife 371 ($1.65) / 407-537 ($1.81-2.39)<br>for each parent 299 ($1.33) / 342-407 ($1.52-1.81) | | *Benefits:*<br>5 shillings a week for every child under 16 except the first.<br>(Additional family allowances are given for dependents to persons receiving unemployment sickness or old age (retirement) benefits). |
| | *National benefit:*<br>(office worker with wife and 3 children)<br>7.05 dollars (1,586 lire). | | *National benefit:*<br>(man with wife and 3 children)<br>8 dollars (£2.0.0) per month. |

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## Contributions Payable under British National Insurance Scheme

TABLE 20 A

One contribution is paid which covers all forms of insurance (except accident). The main contribution rates in Great Britain are as follows:

| | Employed Person | | Employer of Employed Person | | Self-employed Person | | Non-employed Person | |
|---|---|---|---|---|---|---|---|---|
| | s. | d. | s. | d. | s. | d. | s. | d. |
| Men over 18 . . . | 4 | 7 ($ 0.92) | 3 | 10 ($ 0.77) | 5 | 9 ($ 1.15) | 4 | 8 ($ 0.93) |
| Women over 18 . . | 3 | 7 ($ 0.72) | 3 | 0 ($ 0.60) | 4 | 10 ($ 0.97) | 3 | 8 ($ 0.73) |
| Boys under 18 . . . | 2 | 8 ($ 0.53) | 2 | 3 ($ 0.45) | 3 | 4 ($ 0.67) | 2 | 9 ($ 0.55) |
| Girls under 18 . . . | 2 | 2 ($ 0.43) | 1 | 9 ($ 0.35) | 2 | 11 ($ 0.58) | 2 | 3 ($ 0.45) |

## *NOTE ON INSURANCE NOT MENTIONED IN TABLE 20*

ITALY — Apart from the National insurances listed in Table 20, Italy has the following insurances in addition (see text preceding Table 20; tuberculosis paras. 122–130; part time workers paras. 170–174; military re-inductees paras. 175–) which cannot directly be compared with any similar insurances in the U. S. or the U. K. In the case of Tuberculosis, of course, this would be covered in the U. K. under "sickness."

*TUBERCULOSIS.*

*Contributions:*

Industry
- manual workers 48.66 lire per week (0.22 dollars)
- office workers 194.70 lire per month (0.87 dollars).

Agriculture
- daily paid workers 3.017 lire per day (0.013 dollars)
- permanent " (men) 1.81 lire per day (0.008 dollars) (300 days per year)
- " " (women, children) 1.508 lire per day (0.0067 dollars) (300 days per year)
- husbandmen and métayers 0.9227 lire per day (0.0041 dollars) (240 days per year).

*Benefits:*

Workers and family dependents treated for duration of the disease in a sanatorium alternatively dispensary treatment and an allowance:
- manual workers 54–58 lire per day ($0.24-0.26)
- office " 56–62 " " " ($0.25-0.28)

} +8 lire per day (0.036 dollars) for each dependent child.

Cash benefits are for 2 years.

*FUND FOR WORKERS WORKING PART TIME.*

*Contributions:*

(a) Employer pays 3.5 % of total gross wages paid to workers.
(b) Government contributes amount equal to (a).

*Benefits:*

Two-thirds pay for time lost between 0 and 40 hrs. per week for Northern Italy, and 24 to 40 hrs. per week for Central and Southern Italy. Workers receiving this also receive full family allowances.

*FUND FOR MILITARY RE-INDUCTEES.*

CLERICAL WORKERS

*Contributions:*

2.5 % of gross salary (max. gross salary 6.250 lire per month) (27.78 dollars).

*Benefits:*

Compensation paid to those called up equal to wages for first two months. Thereafter the difference of army to civilian pay is made up.

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| | Person | | Person | | Person | | Person | |
|---|---|---|---|---|---|---|---|---|
| | s. | d. | s. | d. | s. | d. | s. | d. |
| Men over 18 . . . | 4 | 7 ($ 0.92) | 3 | 10 ($ 0.77) | 5 | 9 ($ 1.15) | 4 | 8 ($ 0.93) |
| Women over 18 . . | 3 | 7 ($ 0.72) | 3 | 0 ($ 0.60) | 4 | 10 ($ 0.97) | 3 | 8 ($ 0.73) |
| Boys under 18 . . . | 2 | 8 ($ 0.53) | 2 | 3 ($ 0.45) | 3 | 4 ($ 0.67) | 2 | 9 ($ 0.55) |
| Girls under 18 . . . | 2 | 2 ($ 0.43) | 1 | 9 ($ 0.35) | 2 | 11 ($ 0.58) | 2 | 3 ($ 0.45) |

## *NOTE ON INSURANCE NOT MENTIONED IN TABLE 20*

ITALY — Apart from the National insurances listed in Table 20, Italy has the following insurances in addition (see text preceding Table 20: tuberculosis paras. 122–130; part time workers paras. 170–174; military re-inductees paras. 175–) which cannot directly be compared with any similar insurances in the U. S. or the U. K. In the case of Tuberculosis, of course, this would be covered in the U. K. under "sickness."

*TUBERCULOSIS.*

*Contributions:*

Industry { manual workers 18.66 lire per week (0.22 dollars)
office workers 194.70 lire per month (0.87 dollars).

Agriculture { daily paid workers 3.017 lire per day (0.013 dollars)
permanent .. (men) 1.81 lire per day (0.008 dollars) (300 days per year)
.. .. (women, children) 1.508 lire per day (0.0067 dollars) (300 days per year)
husbandmen and métayers 0.9227 lire per day (0.0041 dollars) (240 days per year).

*Benefits:*

Workers and family dependents treated for duration of the disease in a sanatorium alternatively dispensary treatment and an allowance:
manual workers 54-58 lire per day ($0.24-0.26)
office .. 56-62 .. .. .. ($0.25-0.28)
} +8 lire per day (0.036 dollars) for each dependent child.
Cash benefits are for 2 years.

*FUND FOR WORKERS WORKING PART TIME.*

*Contributions:*

(a) Employer pays 3.5 % of total gross wages paid to workers.
(b) Government contributes amount equal to (a).

*Benefits:*

Two-thirds pay for time lost between 0 and 40 hrs. per week for Northern Italy, and 24 to 40 hrs. per week for Central and Southern Italy. Workers receiving this also receive full family allowances.

*FUND FOR MILITARY RE-INDUCTEES.*

CLERICAL WORKERS

*Contributions:*

2.5 % of gross salary (max. gross salary 6,250 lire per month) (27.78 dollars).

*Benefits:*

Compensation paid to those called up equal to wages for first two months. Thereafter the difference of army to civilian pay is made up.

MANUAL WORKERS

*Contributions:*

0.5 % of gross wages (max. gross wages 6,250 lire per month) (27.78 dollars).

*Benefits:*

14 days pay on mobilization. Xmas bonus equal to 200 hrs. of wages.
For clerical workers the insurance covers all trades.
For manual workers it covers industry only.

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*NATIONAL MATERNITY ETC. ASSISTANCE.*

Apart from State insurance schemes which provide, in Italy, for grants to be paid on marriage and the birth of children, there is in addition certain State assistance of a charitable nature.

This assistance is provided by the Opera Nazionale Maternità ed Infanzia (ONMI - National Organisation for the Protection of Motherhood and Infancy). The organisation aids expectant mothers and co-ordinates child relief activities. Assistance is mainly through the provision of clinics, kindergartens and mess halls.

The extent of charitable aid given may be seen from the fact that for the 1946 financial year the State was requested to contribute 1,200 million lire towards the organisation's funds which are further augmenter by private contributions.

***ADDENDUM ON ASSISTANCE GIVEN IN THE UNITED STATES, NOT COVERED BY NATIONAL INSURANCE.***

(a) As may be seen from the comparisons in Table 20, the benefits derived from Italian Insurance schemes are considerably smaller than similar benefits in the U.S. and the U.K. In some cases the relief is most inadequate. The British system covers all types of insurance and all members of the population. The Italian system covers a wider field than does the U.S. national insurance, but it should be borne in mind that private insurance schemes are widely in use in the U.S. and that many firms there take care of their own workers insurance.

(b) In the United States, hospitalization insurance is not compulsory, and is not covered by the Government. It is however customary for a large part of the population, except in rural areas, to be insured against sickness.
Hospitals normally insure companies rather than individuals and in the U.S. individual contributions vary by hospital but are usually about 6 dollars per year.
Benefits consist of a room in a hospital and surgical facilities. The patient has to pay his own doctor's bills.
Firms usually allow a certain amount of paid sick leave per year.

(c) Similarly there is no national insurance against accidents in the United States but, under State Legislation, workmen's compensations paid by firms cover about 40 % of total workers.

(d) In the United States there is no national insurance for maternity but the Social Security Act authorises an annual appropriation to be used for the promotion of the health of mothers and children especially in rural areas and in areas suffering from economic distress.

(e) It may be noted too that apart from social insurance, social security in the U.S. includes Public Assistance to the needy (Old Age Assistance, aid to the Needy Blind and Aid to Dependent Children) and Health and Welfare services (child welfare services, services for crippled children, Maternal and Child-Health Services and Public Health Services).

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*NOTE REGARDING CONTINUATION OF ABOVE ARTICLE*

*Section 2 of the Economic Supplements on Labor, Prices and the Cost of Living in Italy, will deal with Prices, Cost of Living and Wages.*

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September 20, 1946

Vol. I, No. 36

SEP 20 19

# 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 143,000 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 ap-

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

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## 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 316.25 lire for a 5,000 gram tin of tomato paste.

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.

## 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 still carried on the pay-roll.

Dependent on irregular and un-coordinated deliveries of raw material, plants producing

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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 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.

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## 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

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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.

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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.

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## 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.

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## 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.

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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.

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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 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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### AGRICULTURAL

*Ammonium nitrate base 31/35 %:*

2,400 lire per quintal ex Consorzio warehouse. (Original weight including packing.)

*Cotton seed cakes:*

1,600 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.

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*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.

*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) 100 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* | 24 | 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 |
| 450 ,, ,, | 200,000 | ,, ,, |

} Price to consumers

## General

*Trailers:*

One ton cargo, two wheels with tyres, 55,000 lire each ex Distribution Centres.

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## "ECONOMIC SURVEY,, SUPPLEMENT

*No supplement is published with this week's*

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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):

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) 130 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* | 24 | 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 |
| 450 ,, ,, | 200,000 ,, ,, |

} Price to consumers

## General

*Trailers:*

One ton cargo, two wheels with tyres, 55,000 lire each ex Distribution Centres.

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## "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.*

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# 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 | 4,134 |
| 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 |
| | Genoa | » » | » | » | 8,633 |

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| Bothnia | » | » » | UNRRA | » | 1,200 |
| Fort Island | Naples | » » | » | » | 1,039 |
| John Laurance | Venice | » » | Commercial | » | 5,831 |
| Itu | Piombino | 15 » | It. Program. | Minerals | 2,000 |

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## LATEST COAL SHIPMENTS

(SEPTEMBER 9 - 15 INCLUSIVE)

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| | Ancona | 13 » | | | |
| Beaconsfield | Bari | 9 » | South Africa | » | 8,051 |
| | Taranto | 12 » | | | |
| Agios Vlasios | Savona | 10 » | Turkey | Swiss | 4,127 |
| 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 |
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| | Leghorn | 15 » | | | |
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| | 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 |
| 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.

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September 20, 1946

Vol. I, No. 36

SEP 20 1946

# 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 ap- [illegible] lire for a 500 gram con-

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 [illegible] department has had to carry a

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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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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 316.25 lire for a 5,000 gram tin of tomato paste.

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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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 still carried on the pay-roll.

Dependent on irregular and un-coordinated deliveries of raw material, plants producing


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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 325,600 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 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.

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## 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

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mestic 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:—

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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 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

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.

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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.

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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

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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.

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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 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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### 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.

*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.

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*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.

*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) 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* | 24 | 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 ,, | 29 ,, ,, |
| ,, ,, 400 ,, 5 ,, | 29 ,, ,, |
| ,, ,, 400 ,, 10 ,, | 35 ,, ,, |
| ,, ,, 800 ,, 12 ,, | 58 ,, ,, |
| *Penicillin:* | |
| 235 lire per 100,000 unit vial | |
| 450 ,, ,, 200,000 ,, ,, | |

} Retail price to consumers

} Price to consumers

## General

*Trailers:*

One ton cargo, two wheels with tyres, 55,000 lire each ex Distribution Centres.

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## "ECONOMIC SURVEY,, SUPPLEMENT

*No supplement is published with this week's*

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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 - 35 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/1 Standard quality (crude) 200 lire per kg. ex consignee's warehouse.

*Tinplate:*

(a) 100 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* . . . . . | 24 | 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 |
| 450 ,, ,, 200,000 ,, ,, | } consumers |

## General

*Trailers:*

One ton cargo, two wheels with tyres, 55,000 lire each ex Distribution Centres.

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## "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.*

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# 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 | 3,321 |
| 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 |

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(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 |
|---|---|---|---|---|---|
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| Tynemouth (1) | Genoa | 7 » | Holland | UNRRA | 4,220 |
| Ivan Topic | Savona | 9 » | Yugoslavia | Commercial | 7,280 |
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| | Ancona | 13 » | | | |
| Beaconsfield | Bari | 9 » | South Africa | » | 8,051 |
| | Taranto | 12 » | | | |
| Agios Vlasios | Savona | 10 » | Turkey | Swiss | 3,221 |
| 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 » | | | |
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| 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 |
| 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.

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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 20,500,000 dollars (£7,275,000 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 [illegible] in the battle areas, during months of

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.

Declassified E.O. 12356 Section 3.3/NND No. 765015

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# 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.

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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 2,000,000 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, will require some time to remedy.

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.

### 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

The total requirements of field seeds and grass seed amount to over 3,600 tons. They are essential for the improvement of Italian

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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

## 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

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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.

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

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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.

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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.

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

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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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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 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

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 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.

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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 [illegible] warehouse, fixed in Price Decision No. 3,

## 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

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| | | |
|---|---|---|
| *Gasoline*: House Brand (Motor vehicle use) | 27 | lire per litre |
| *Kerosene* | 28.50 | lire per kg. |
| *Diesel oil* | 24 | lire per litre |
| *Fuel oil* | 8 | lire per kg. |

Retail price

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.

## "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 |

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# 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 » | » | » | 423 |
| 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 |

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|---|---|---|---|---|---|
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| Mont Alta | Naples | » » | UNRRA (Greece-Italy) | » | 3,095 |
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| Exbrook | Naples | 4 » | » | General | 2,228 |
| Merkland | Genoa | 5 » | » | » | 423 |
| Ocean Glory | » | » » | » | Manganese | 2,000 |
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| Celestial | » | » » | UNRRA | General | 677 |
| William Tyler | » | » » | » | Petroleum coke | 8,283 |
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| Andrea Contarini | Brindisi | » » | It. Program. | Phospates | 2,000 |

NOTE: (1) Also discharged at Trieste

## LATEST COAL SHIPMENTS

(SEPTEMBER 1 - 8 INCLUSIVE)

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|---|---|---|---|---|---|
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| | Ancona | 8 » | » | » | |
| William Leavitt | Messina | 3 » | » | » | 9,169 |
| Franklin K. Lane | Catania | » » | » | » | 8,347 |
| | Reggio Calabria | 7 » | » | » | |
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| | 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 |
| 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 | » » | » | » | 8,683 |

NOTE: (1) Also discharged at Genoa — (2) Also discharged at Venice

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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

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.

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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

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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

## 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

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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.

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*

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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.

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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 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 [illegible] available to Italy to meet essential

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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

very thorough [illegible] 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.

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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,

## 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:—

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*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.

## "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 |

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# 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 Nomicos | » | 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 |
| | » | » » | U. S. A. | » | 8,221 |

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| A. Th. Jonasson | » | » » | » | » | 735 |
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| Ocean Glory | » | » » | » | Manganese | 2,000 |
| Kyklades | Venice | » » | UNRRA (Italy-Austria) | Cereals | 8,500 |
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| William Tyler | » | » » | » | Petroleum coke | 8,283 |
| Joseph Lykes (1) | Bari | 7 » | » | General | 5,900 |
| Andrea Contarini | Brindisi | » » | It. Program. | Phospates | 2,000 |

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(SEPTEMBER 1 - 8 INCLUSIVE)

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| | Catania | » » | » | » | |
| Franklin K. Lane | Reggio Calabria | 7 » | » | » | 8,347 |
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| 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 |
| Bosanka | Savona | 6 » | Turkey | Swiss | 5,510 |
| Beograd | » | » » | U. S. A | UNRRA | 8,557 |
| Charles N. Cole | Palermo | » » | » | » | 9,011 |
| John L. Elliott | Savona | » » | » | » | 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

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September 6, 1946 Vol. I, No. 34

# ECONOMIC NOTES

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

CONTENTS

1. Oil Refineries Will Reopen
2. Price Controls Will Stay
3. Italy - as Britain sees her
4. Movements of Ships

## OIL REFINERIES WILL REOPEN

The reopening of Italian oil refineries at Naples, Bari, La Spezia and Porto Marghera will enable UNRRA, with the funds at present available, to purchase sufficient additional supplies of crude oil to ensure deliveries until about April, 1947. The refineries at Naples and Bari are expected to start again within the next eight weeks, and will give employment to some hundreds of Italian workers.

Although this does not involve larger monthly supplies of petroleum products, it does substantially extend the period of UNRRA assistance to the Italian petroleum industry, as a result of increasing the money available for dollar purchases of petroleum products.

### Storage Tanks Released

The Allied military authorities have agreed to release sufficient storage tanks at Naples and Bari to permit operation of the refineries. Agreements have also been reached between the Italian Government and the various companies operating in Italy on costs connected with the re-starting of the refineries, and on future policy.

The crude oil required for the first six months' operation of the refineries will be imported, and paid for, by UNRRA. The products refined in Italy will replace an emphasized—permitting of any increase whatever in the current supplies of refined petroleum products available to consumers now—or in the immediate future.

### Production Estimates

It is estimated that the Bari and Naples refineries—which will be started first—will produce monthly 50 per cent. of the gasoline, all of the kerosene and approximately 10 per cent. of the diesel and fuel-oil requirements of the UNRRA monthly program for Italy. The two refineries will operate at the full capacity of their existing equipment: Bari will handle 25,000 tons of crude oil per month, and Naples approximately 20,000 tons per month. Repairs scheduled for La Spezia and Porto Marghera plant should enable these units to receive their first allocations of crude oil for refining within three or four months.

No lubricating oils will be produced in Italy for the present, since the necessary equipment was badly damaged during the war and has not as yet been repaired.

C.I.P. (Comitato Italiano Petroli) will continue to act as agents for the Italian Government, according to present plans. They will take delivery of the crude oil landed in Italy and will be responsible for the distribution of refined products through the existing

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The crude oil required for the first six months' operation of the refineries will be imported, and paid for, by UNRRA. The products refined in Italy will replace an equivalent quantity of corresponding refined petroleum products originally scheduled for procurement in the Italian program. Owing to the lower price of crude oil, UNRRA will be able to import petroleum products in greater quantity, thus assisting the Italian import program next year, but not—it must be emphasized—permitting of any increase whatever in the current supplies of refined petroleum products available to consumers now—or in the immediate future.

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## New Shipping Policy

UNRRA will shortly assume responsibility for the shipping of all petroleum products imported on the Italian program. The procedure

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for handling petroleum supplies before they become the property of the Italian authorities is thus brought into line with the system operating for all other commodities imported for Italian relief and rehabilitation.

At the beginning of operations, all petroleum products, both packed and bulk, were shipped by the Army and Navy Petroleum Board to the Commanding General, Peninsular Base Section, in Italy. On arrival in Italy, the bulk petroleum was stored in tanks, the packed petroleum in warehouses, and the Allied military authorities released quantities, as available, to C.I.P. on UNRRA account. UNRRA paid for them, as for other supplies included in the Italy program. The costs for freight and insurance were calculated proportionately to UNRRA's share of the petroleum imported.

### UNRRA Will Charter Tankers

As a step forward, approximately four months ago, UNRRA assumed responsibility for the shipment of packed petroleum products; and now, under the new procedure, tankers will be chartered by UNRRA for bulk shipments and every effort will be made by the purchasing authorities in Washington to ship supplies for UNRRA, and those (of which there are comparatively few) bought by the Italian Government, separately from supplies intended for the Allied military forces.

As with other UNRRA imports, the "Sorveglianza" Company is now checking, under a new contract, ships' cargoes on behalf of the UNRRA Italy Mission.

### Fewer Delays

The UNRRA Italy Mission is now able to request port nominations and control more adequately the movement of UNRRA-chartered tankers, and minimize delays and other possible irregularities involving extra shipping charges. Demurrage alone, the penalty for discharge at a rate under that stated in the contract with the vessel, may

solution—to be achieved as often as possible under present circumstances—would be one tanker to each port.

To avoid demurrage, it is hoped that a plan will be worked out to ship all POL in tankers not exceeding 10,000 tons and a draft of 27 feet, which will enable these ships to discharge their cargoes in secondary ports; without the necessity of having a portion of the cargo removed in a large port first, to lighten the tanker.

---

## PRICE CONTROLS WILL STAY

In view of renewed criticism by manufacturers and others of the Government policy of fixing prices for UNRRA-imported commodities, and unfounded reports regarding the imminent termination of those supplies, the UNRRA Italy Mission issues the following statement in regard to the functions of the Joint Price Committee, and the period during which UNRRA supplies will continue to arrive in Italy:—

The Joint Price Committee, which has already fixed the prices of a wide range of UNRRA-imported commodities, is representative both of the Italian Government and of the UNRRA Italy Mission. It operates in accordance with Article III, (d), (iii) and (iv) of the Supplementary Agreement, jointly signed by the Italian Government and the UNRRA Italy Mission in Rome on 19 January, 1946.

By the terms of Article III (d), (iii) and (iv) of the Agreement, the Government will consult with UNRRA concerning:—

> "Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically":
>
> and
>
> "Rationing and price controls by commodity, by region and by classes of consumers for each of the commodities supplied by UNRRA."

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### UNRRA Will Charter Tankers

As a step forward, approximately four months ago, UNRRA assumed responsibility for the shipment of packed petroleum products; and now, under the new procedure, tankers will be chartered by UNRRA for bulk shipments and every effort will be made by the purchasing authorities in Washington to ship supplies for UNRRA, and those (of which there are comparatively few) bought by the Italian Government, separately from supplies intended for the Allied military forces.

As with other UNRRA imports, the "Sorveglianza" Company is now checking, under a new contract, ships' cargoes on behalf of the UNRRA Italy Mission.

### Fewer Delays

The UNRRA Italy Mission is now able to request port nominations and control more adequately the movement of UNRRA-chartered tankers, and minimize delays and other possible irregularities involving extra shipping charges. Demurrage alone, the penalty for discharge at a rate under that stated in the contract with the vessel, may run into several thousand dollars for every day's delay.

In pursuing its policy of maximum economy, the Mission will endeavour as far as possible to reduce the number of ports at which a tanker unloads. The fewer the ports, the lower the shipping charges; and the ideal

not exceeding 10,000 tons and a draft of 27 feet, which will enable these ships to discharge their cargoes in secondary ports, without the necessity of having a portion of the cargo removed in a large port first, to lighten the tanker.

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## PRICE CONTROLS WILL STAY

In view of renewed criticism by manufacturers and others of the Government policy of fixing prices for UNRRA-imported commodities, and unfounded reports regarding the imminent termination of those supplies, the UNRRA Italy Mission issues the following statement in regard to the functions of the Joint Price Committee, and the period during which UNRRA supplies will continue to arrive in Italy:—

> The Joint Price Committee, which has already fixed the prices of a wide range of UNRRA-imported commodities, is representative both of the Italian Government and of the UNRRA Italy Mission. It operates in accordance with Article III, (d), (iii) and (iv) of the Supplementary Agreement, jointly signed by the Italian Government and the UNRRA Italy Mission in Rome on 19 January, 1946.

By the terms of Article III (d), (iii) and (iv) of the Agreement, the Government will consult with UNRRA concerning:—

> "Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically":
>
> and
>
> "Rationing and price controls by commodity, by region and by classes of consumers for each of the commodities supplied by UNRRA."

### Committee's Task

The Joint Price Committee has fixed prices for only a part of the commodities so far imported by UNRRA. The Committee will continue to function until prices are fixed for all UNRRA commodities.

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Full details of their decisions are published, as they become available, in *Economic Notes*.

Approximately only 50 per cent. of the UNRRA-imported supplies, which Italy is due to receive, have so far arrived in the country. The vast bulk of the imports at present arriving at Italian ports from overseas consists of relief and rehabilitation supplies procured, and paid for, by UNRRA, and delivered free of charge to the Italian Government authorities, for sale to the Italian people in accordance with UNRRA Basic Resolution No. 7, incorporated in the original (1945) and supplementary (1946) Agreements with the Italian Government. This Resolution prescribes, *inter alia*, that "distribution of relief and rehabilitation supplies should take place under effective rationing and price controls."

### UNRRA Will Complete Program

As stated by Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, on the radio from Rome, shortly after his return from the meeting of the UNRRA Fifth Council at Geneva, "UNRRA in Italy will continue until the program on which we have embarked is completed. We shall go on buying supplies until the money voted for Italy is exhausted—even though some of the supplies cannot be procured until the early months of next year. UNRRA shipments will continue to arrive in Italy throughout the first quarter of the new year—at least; but, of course, in diminishing quantities after December.

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

### Deliveries Total 5,500,000 Tons

By the end of August, Mr. Keeny continued, approximately 5,500,000 tons of UNRRA goods had arrived in Italy. Before UNRRA's work was done, it was [illegible] to ship another 4,500,000 tons,

## ITALY - AS BRITAIN SEES HER

Under the heading, "The Truth about Food in Italy," an English newspaper, the *Northampton Independent*, of 26 July, publishes a letter from the Parliamentary Secretary to the British Ministry of Food, (Dr. Edith Summerskill), in reply to Press criticism, asking whether "Britain was not starving itself to feed a prosperous country."

In an official letter from the Ministry to Mr. R. T. Paget, Member of Parliament for Northampton, Dr. Summerskill states:—

### Food Ministry's Letter

You wrote to Mr. Strachey [Food Minister] recently and sent the enclosed newspaper cutting about the abundance of food in Italy, and asked whether we had any figures as to the amount of food there.

The present rations for the normal consumer in Italy are approximately as follow: 7 ounces (200 grams) of bread per day; 17 ounces (500 grams) of macaroni or rice per month; 6 ounces (170 grams) of edible fats per month; 7 ounces (200 grams) of sugar per month (if available); 17 ounces (500 grams) of salt per month (if available). [See Note below.]

The official rations provide only some 700 calories a day. They must, therefore, be supplemented by purchases on the free market, since otherwise life cannot be maintained. Meat, cheese and butter are not rationed and may be freely bought in the shops, but prices are too high for the poorer consumers to buy much. Indeed, the shops are well-stocked with these commodities precisely because they are not purchased by the masses.

Workers already spend three-quarters of their wages on food without buying expensive items.

Official estimates of home production in Italy of meat, cheese and butter in 1945-6 are (in metric tons): 362,000 tons of meat; 112,000 tons of cheese; 25,000 tons of butter.

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Food in Italy, ...

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### Rationing Problem

If it were possible to carry out a complete collection and equal distribution of these commodities among the population of 46,000,000 people, the resulting supplies per head would amount to only about 23.4 ounces (663.4

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grams) of meat, 7.2 ounces (204.1 grams) of cheese and 1.6 ounces (45.4 grams) of butter per month.

Apart from the free market there is no doubt an active black market. His Majesty's Government, however, can take no direct action to interfere in this. The responsibility for supplies of imports of foodstuffs into Italy lies with UNRRA, which hands the stocks over to the national government for distribution.

There is no evidence that the food allocated by UNRRA for distribution in Italy forms the basis of the black market there. Supplies in the black market are generally derived from hoarded reserves, which can be held back because, owing to disorganized administration or destruction of transport, it has not been possible to enforce regulations.

*Yours sincerely*
EDITH SUMMERSKILL.

Ministry of Food,
Montagu House,
Whitehall, London, S.W.1.

[Note: The figures quoted by Dr. Summerskill in regard to rations and food availability date from *before* the harvest. While the position has improved considerably in recent weeks, and the value of the standard ration is now about 1,600 calories, the food situation in Italy is, in broad outline, still as Dr. Summerskill describes it.]

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## "ECONOMIC SURVEY" SUPPLEMENT

*The Supplement with this issue of* Economic Notes *is on Health and Welfare. Previous supplements have been published as follows:—Issue No. 27 (19 July) Introduction, and Finance; Issue No. 28 (26 July) Agriculture and Food; Issue No. 30 (9 August) Industry—Part I; Issue No. 31 (16 August) Industry—Part II; Issue No. 32 (23 August) Transportation and Communications. No supplements were published with issues No. 29 (2 August) and No. 33 (30 August).*

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# MOVEMENTS OF SHIPS

## CARGOES OTHER THAN COAL

(AUGUST 24 - 31 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | ACCOUNT | CARGO | TONS |
|---|---|---|---|---|---|
| British Scout (1) | La Spezia | 22 August | UNRRA | Minerals | 1,900 |
| S. M. Shoemaker | Messina | 24 » | » | Wheat | 9,000 |
| | Palermo | 31 » | » | » | |
| Fossarus | La Spezia | 25 » | » | Minerals | 2,370 |
| Morris Sigman | Naples | 26 » | UNRRA | General | 1,754 |
| | | | It. Program | » | 470 |
| | Genoa | 31 » | UNRRA | » | 4,000 |
| African Reefer | Naples | 26 » | » | » | 1,678 |
| Tropic Star | Genoa | 27 » | UNRRA (Italy–Yugoslavia) | » | 5,509 |
| Panaghis | » | 28 » | SWISS | Cereals | 7,400 |
| Sue Lykes | » | » » | UNRRA | General | 449 |
| Chester Valley (2) | Venice | » » | » | » | 6,029 |
| Bienville (3) | Ancona | 29 » | » | » | 5,349 |
| Cattaro | Genoa | 31 » | » | » | 2,500 |
| Marpessa | » | » » | SWISS | Cereals | 7,886 |
| Hoegh Silverstar | Naples | » » | UNRRA | General | 5,074 |

(1) Advice received too late for inclusion in last week's shipping list — (2) Also discharged at Trieste — (3) Also discharged at Trieste.

## LATEST COAL SHIPMENTS

(AUGUST 25 - 31 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | COUNTRY OF ORIGIN | ACCOUNT | TONS |
|---|---|---|---|---|---|
| Akenside | Savona | 25 August | Germany | UNRRA | 7,039 |
| James R. Wells | » | » » | U. S. A. | » | 8,858 |
| Empire Harmony | Naples | » » | Germany | » | 3,954 |
| West Cusseta (1) | Ancona | » » | U. S. A. | » | 4,778 |
| Casper S. Yost | Venice | 26 » | » | » | 8,585 |
| Matthew P. Deady | Brindisi | » » | » | » | 8,666 |
| Charles D. Walcott | Catania | » » | » | » | 8,396 |
| | Reggio Calabria | 30 » | » | » | |
| Marie | Savona | 27 » | Germany | » | 2,052 |
| Emoire Tees | Genoa | » » | » | » | 3,824 |
| Rufus Choate | » | » » | U. S. A. | » | 8,878 |
| Josiah Tattnall | » | » » | » | » | 9,274 |
| Nicolaos G. Culucundis | Savona | 28 » | TURKEY | SWISS | 4,836 |
| Robert I. Paine | Genoa | » » | U. S. A. | UNRRA | 8,053 |
| Tintern Abbey | » | » » | Germany | » | 3,796 |
| Noah Webster (2) | Piombino | » » | U. S. A. | » | 4,600 |
| George D. Prentice | Bagnoli | » » | » | » | 8,625 |
| Charles Goodyear | Catania | » » | » | » | 7,647 |
| Edward Rutledge | Palermo | » » | » | » | 8,954 |
| Dunav | Genoa | 29 » | Germany | » | 6,800 |
| Charles H. Herty | Bari | » » | U. S. A. | » | 7,889 |
| Russell Sage | Venice | » » | » | » | 8,633 |
| Louis D. Brandeis (3) | Ancona | » » | » | » | 4,500 |
| Terre Haute Victory | Cagliari | » » | » | » | 8,270 |
| Dante | Genoa | 30 » | » | » | 7,296 |
| John P. Harris (4) | Leghorn | » » | U. S. A. | UNRRA | 4,539 |
| Sveti Duje | Venice | » » | Yugoslavia | Commercial | 5,100 |
| William K. Kamaka | » | » » | U. S. A. | UNRRA | 3,835 |
| [illegible] | » | » » | » | » | 8,204 |

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|---|---|---|---|---|---|
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| S. M. Shoemaker | Messina | 24 » | » | Wheat | 9,000 |
| | Palermo | 31 » | » | » | |
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| Sue Lykes | » | » » | UNRRA | General | 449 |
| Chester Valley (2) | Venice | » » | » | » | 6,029 |
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| Rufus Choate | » | » » | U. S. A. | » | 8,878 |
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| George D. Prentice | Bagnoli | » » | » | » | 8,625 |
| Charles Goodyear | Catania | » » | » | » | 7,647 |
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| Dunav | Genoa | 29 » | Germany | » | 6,800 |
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| Terre Haute Victory | Cagliari | » » | » | » | 8,270 |
| Dante | Genoa | 30 » | » | » | 7,296 |
| John P. Harris (4) | Leghorn | » » | U. S. A. | UNRRA | 4,539 |
| Sveti Duje | Venice | » » | Yugoslavia | Commercial | 5,100 |
| William K. Kamaka | » | » » | U. S. A. | UNRRA | 3,835 |
| Casimir Pulaski | » | » » | » | » | 8,204 |
| Joseph N. Teal | Civitavecchia | 31 » | » | » | 8,144 |
| Baron Haig | Bagnoli | » » | Germany | » | 5,111 |
| William Windom | Palermo | » » | U. S. A. | » | 8,185 |
| Fort Orange | Venice | » » | » | » | 8,853 |
| William Carson | » | » » | » | » | 8,413 |

(1) Also discharged at Venice — (2) Also discharged at Genoa — (3) Also discharged at Venice — (4) Also discharged at Genoa and not Leghorn, as previously stated.

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# HEALTH AND WELFARE

## PART ONE - HEALTH

### (INCLUDING POPULATION AND VITAL STATISTICS)

### *THE ITALIAN POPULATION*

(a) *Pre-War.*

1. The increase of the Italian population from 1870 to 1936 as compared with France, United Kingdom and Germany (2) is shown in Table 1.

TABLE 1

| Year | Italy | France | Gr. Britain and N. Ireland | Germany |
|---|---|---|---|---|
| a) POPULATION (in millions) | | | | |
| 1870 | 28.0 | 37.7 | 26.4 | 36.2 |
| 1900 | 33.9 | 40.7 | 38.2 | 50.6 |
| 1910 | 36.3 | 41.5 | 42.1 | 58.5 |
| 1920 | 37.9 | 39.2 | 44.0 | 59.9 |
| 1930 | 41.2 | 41.1 | 46.1 | 65.3 |
| 1936 | 42.9 | 41.9 | 47.1 | 67.2 |
| b) INDEX NUMBERS (1870 = 100) | | | | |
| 1870 | 100 | 100 | 100 | 100 |
| 1900 | 121 | 108 | 145 | 140 |
| 1910 | 130 | 110 | 159 | 162 |
| 1920 | 135 | 104 | 167 | 165 |
| 1930 | 147 | 111 | 175 | 180 |
| 1936 | 153 | 111 | 178 | 186 |

Italy, like some other European countries, has contributed, through emigration, to the increase of population on the American continent. As a result of emigration Italy's present population is less than would result from natural population surplus (births minus deaths).

From 1871 to 1936 the Italian population has increased by 14.5 million. Natural surplus would have given a population increase by 20.5 million. The net population loss by emigration amounted therefore to 6 million. (The population of the United Kingdom, Eire included, increased, from 1871 to 1931, by 18.3 million as compared with 23.2 million for natural sur-

2. Births and deaths in Italy in the average of each five year period from 1881 to 1935 have been:

TABLE 2

Average Yearly live Births and Deaths 1881 to 1935

| Five-Year Period | Figures in thousands | | | Rates per 1000 inhabitants | | |
|---|---|---|---|---|---|---|
| | Live-births | Deaths | Births over deaths | Births | Deaths | Births over deaths |
| 1881-1885 | 1,094 | 787 | 307 | 38.0 | 27.3 | 10.7 |
| 1886-1890 | 1,118 | 811 | 307 | 37.5 | 27.2 | 10.3 |
| 1891-1895 | 1,113 | 787 | 326 | 36.0 | 25.5 | 10.5 |
| 1896-1900 | 1,085 | 732 | 353 | 34.0 | 22.9 | 11.1 |
| 1901-1905 | 1,073 | 722 | 351 | 32.7 | 22.0 | 10.7 |
| 1906-1910 | 1,106 | 717 | 389 | 32.7 | 21.2 | 11.5 |
| 1911-1915 | 1,115 | 699 | 416 | 31.5 | 19.7 | 11.8 |
| 1916-1920 | 836 | 886 | –50 | 23.0 | 24.4 | –1.4 |
| 1921-1925 * | 1,145 | 669 | 476 | 29.8 | 17.4 | 12.4 |
| 1926-1930 * | 1,078 | 642 | 436 | 26.8 | 16.0 | 10.8 |
| 1931-1935 * | 1,000 | 590 | 410 | 23.8 | 14.1 | 9.7 |

* Post-war territory.

The rapid decrease of the birth rate after the first world war was not balanced by a similar decrease in the death rate: the result was a decrease of the population surplus.

The table below shows a comparison with some European countries in the decade 1921-1930 (all rates per 1,000 inhabitants):

TABLE 3

| Countries | Live-birth rates | | Death rates | | Surplus rates | |
|---|---|---|---|---|---|---|
| | 1921-25 | 1926-30 | 1921-25 | 1926-30 | 1921-25 | 1926-30 |
| Italy | 29.8 | 26.8 | 17.4 | 16.0 | 12.4 | 10.8 |
| France | 19.4 | 18.2 | 17.2 | 16.8 | 2.2 | 1.4 |
| Germany | 22.1 | 18.4 | 13.3 | 11.8 | 8.8 | 6.6 |

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| France | 19.4 | 18.2 | 17.2 | 16.8 | 2.2 | 1.4 |
| Germany | 22.1 | 18.4 | 13.3 | 11.8 | 8.8 | 6.6 |
| United Kingdom | 20.4 | 17.2 | 12.4 | 12.3 | 8.0 | 4.9 |

(1) *See Supplement to Vol. 1 No. 27 for Introduction to Survey of Italy's Economy and for Survey of Finance; No. 28 for Survey of Agriculture and Food in Italy; Nos. 30 and 31 for Survey of Italian Industry; and No. 32 for Survey of Transportation and Communications.*

(2) Frontiers as in 1936.

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*Infant Mortality.*

3. The infant mortality rate (deaths under one year of age per 1.000 live births), in Italy has shown a substantial reduction in the period 1881 to 1935, as the following figures indicate:

Infant mortality in Italy: 1881-1910

| | | | |
|---|---|---|---|
| 1881–1885 | 195.1 | 1911–1915 | 141.2 |
| 1886–1890 | 195.2 | 1916–1920 | 152.4 |
| 1891–1895 | 184.7 | 1921–1925 | 127.0 |
| 1896–1900 | 168.5 | 1926–1930 | 119.4 |
| 1901–1905 | 167.7 | 1931–1935 | 104.7 |
| 1906–1910 | 152.9 | | |

As compared with some other European countries, the infant mortality rate in Italy is high. The figures are:

Infant mortality pre-war in four European countries

| Years | Italy | France | Germany | United Kingdom |
|---|---|---|---|---|
| | Deaths under 1 year per 1,000 live births | | | |
| 1871–75 | 219 (1) | 177 (2) | 244 (3) | 153 (4) |
| 1901–1905 | 168 | 149 | 199 | 138 (4) |
| 1926–1930 | 119 | 89 | 94 | 70 |
| 1938 | 106 | 65 | 60 | 55 |

(1) 1872–75 – (2) 1866–1875 – (3) 1896–1905 – (4) England & Wales.

The Netherlands had the lowest infant mortality rate in Europe (36 deaths under one year of age per 1,000 live births in 1938). In 1938, the infant mortality rate in the United States was 51.

4. The sex ratio (males per 1,000 females) has gradually decreased in Italy, as well as in the largest European countries, due largely to male emigration and to war deaths.

TABLE 4

Males per 1000 females in Italy as compared with some other countries: 1871 to 1931

5. The classification (1) of the Italian population in three main age groups (pre-reproductive age, 0-14 years; reproductive age, 15-49 years; post-reproductive age, 50 years and over) is as follows:

| Age groups | Censuses of: 1871 | 1911 | 1936 |
|---|---|---|---|
| | Percentages | | |
| 0 — 14 | 32.5 | 33.8 | 30.6 |
| 15 — 49 | 50.4 | 46.9 | 49.6 |
| 50 and more | 17.1 | 19.3 | 19.8 |
| | 100.0 | 100.0 | 100.0 |

The percentages for some other counries are as follows:

| Year | | Age groups: 0–14 | 15–49 | 50 years |
|---|---|---|---|---|
| Italy | 1931 | 29.7 | 50.9 | 19.4 |
| France | 1931 | 22.9 | 51.4 | 25.7 |
| Germany | 1933 | 24.2 | 54.0 | 21.8 |
| Gt. Britain | 1931 | 24.2 | 53.2 | 22.6 |
| U. S. A. | 1930 | 29.4 | 53.3 | 17.3 |
| U. S. S. R. | 1926 | 37.2 | 49.7 | 13.1 |

6. The collection in Italy of data on population was discontinued after July 1943 and it has not yet been possible to restume it completely for the whole national territory. For the post-war years, it is necessary to resort to approximate estimates and to data and coefficients for a part only of the population.

(1) Thus can be estimated roughly (as proposed by Sundbärg) whether the population is « progressive », « stagnant » or « regressive ». The progressive type had, by Sundbärg's definition, 40 per cent or more in the pre-reproductive (0–14 years) phase; 50 per cent in the reproducer-worker phase (between 15 and 50 years of age) and 10 per cent or fewer in the post-reproductive phase (50 years and over). For the stagnant type the corresponding percentages were 33–50–17, and for the regressive type 20 (or fewer) – 50–30 (or more).

According to this classification, Italy's population is of the stagnant type; it is still far from the regressive type, even if it shows a certain trend to becoming old (decrease of the pre-repro- [illegible] of the senile population).

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Infant mortality in Italy: 1881-1910

| | | | |
|---|---|---|---|
| 1881–1885 | 195.1 | 1911–1915 | 141.2 |
| 1886–1890 | 195.2 | 1916–1920 | 152.4 |
| 1891–1895 | 184.7 | 1921–1925 | 127.0 |
| 1896–1900 | 168.5 | 1926–1930 | 119.4 |
| 1901–1905 | 167.7 | 1931–1935 | 104.7 |
| 1906–1910 | 152.9 | | |

As compared with some other European countries, the infant mortality rate in Italy is high. The figures are:

Infant mortality pre-war in four European countries

| Years | Italy | France | Germany | United Kingdom |
|---|---|---|---|---|
| Deaths under 1 year per 1,000 live births | | | | |
| 1871–75 | 219 (1) | 177 (2) | 244 (3) | 153 (4) |
| 1901–1905 | 168 | 149 | 199 | 138 (4) |
| 1926–1930 | 119 | 89 | 94 | 70 |
| 1938 | 106 | 65 | 60 | 55 |

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The Netherlands had the lowest infant mortality rate in Europe (36 deaths under one year of age per 1,000 live births in 1938). In 1938, the infant mortality rate in the United States was 51.

4. The sex ratio (males per 1,000 females) has gradually decreased in Italy, as well as in the largest European countries, due largely to male emigration and to war deaths.

TABLE 4

Males per 1000 females in Italy as compared with some other countries: 1871 to 1931

| Year | Italy | France | Germany | United Kingdom | U.S.A. |
|---|---|---|---|---|---|
| 1871 | 1,011 | 992 | 962 | 944 | 1,022 |
| 1911 | 964 | 966 | 974 | 937 | 1,060 |
| 1931 | 957 | 934 | 937 | 920 | 1,025 |

| Age groups | Censuses of: 1871 | 1911 | 1936 |
|---|---|---|---|
| | Percentages | | |
| 0 — 14 | 32.5 | 33.8 | 30.6 |
| 15 — 49 | 50.4 | 46.9 | 49.6 |
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According to this classification, Italy's population is of the stagnant type; it is still far from the regressive type, even if it shows a certain trend to becoming old (decrease of the pre-reproductive population and increase of the senile population).

If the Raymond Pearl «generation index» (1000 multiplied by the quotient between the number of persons in the pre-reproductive population – *generate* of the population – and the number of persons in the reproductive population - *generant* of the population) is taken into account, that index for Italy increased from 644 in 1871 to 718 in 1911, falling afterwards rapidly to 617 in 1936.

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*Population Estimates.*

(b) *After the War.*

7. It is estimated that the Italian population amounted to about 46 million on 1 July 1946. This figure was calculated from the last census (1936) by adding immigrants and the number of people born each year, and subtracting emigrants and the number of people who died each year. Allowance was also made for the number of civilian and military personnel who were killed during the war and consideration was given to Italian prisoners of war not repatriated and the number of foreign displaced persons in Italy.

8. A calculation of the civilian population may also be made from the ration cards which have been issued. The following figures are for sugar ration cards, to which all civilians are entitled.

Number of sugar ration cards issued in Italy: 1941-46
(Venezia Giulia excluded)

| | | |
|---|---|---|
| February | 1941 | 41,429,862 |
| January | 1942 | 41,636,090 |
| January | 1943 | 42,125,024 |
| March | 1946 | 45,427,040 |
| July | 1946 | 45,603,972 |

9. On 1 July 1946 Armed Forces and Carabinieri amounted to about 200,000 and prisoners of war not yet repatriated to about 170,000. Total population as from ration cards was, therefore, on that date about 46 million without Venezia Giulia. Allowing approximately 1 million for Venezia Giulia (997,257 in census of 21 April 1936), this calculation gives a slightly higher figure than the census estimate above. The difference may be accounted for partly by the currency of false ration cards, and partly by the normal delay in cancellations of cards following deaths. The figure in para. 7 is therefore considered to be a reasonable estimate.

*Demographic Rates.*

10. It is not possible to calculate the rates of marriages, births and deaths per 1,000 inhabitants by years over the whole of Italy since exact population figures by areas are not available. The changes which obviously took place in the central age groups (soldiers, prisoners of war and war dead) will affect any comparison made

The number of ration cards issued in large cities is not really indicative, because many holders of these cards are authorized to use them in cities other than the one in which they were issued. From the few figures available the approximate trends can however be shown.

*Marriages, Births and Deaths.*

12. Vital statistics bureaux are not as yet working satisfactorily, because there are many towns in which these bureaux were completely destroyed. Data on number of deaths in the Armed Services during the war years are also missing. It is estimated that there were about 300,000 deaths, although the actual number in each year is not known.

13. Official statistics give complete data for towns of more than 50,000 inhabitants. The figures in Table 5 relate to 69 towns having an aggregate population equal to 25 % of the total population in the country.

TABLE 5

Births and Deaths in Italian Towns of more than 50,000 Inhabitants

| Years | | Marriages | Born Alive | Deaths | Excess of Births Over Deaths (1) |
|---|---|---|---|---|---|
| | 1935-39 | 81,483 | 225,518 | 153,741 | + 71,777 |
| | 1940 | 88,411 | 250,946 | 161,217 | + 89,729 |
| | 1941 | 82,815 | 235,311 | 170,017 | + 65,294 |
| | 1942 | 83,406 | 231,310 | 186,022 | + 45,288 |
| | 1943 (2) | 60,339 | 173,538 | 181,242 | − 7,704 |
| | 1944 (2) | 59,523 | 173,110 | 186,502 | − 13,392 |
| | 1945 (2) | 79,034 | 195,716 | 169,248 | + 26,468 |
| First quarter | 1945 (2) | 13,606 | 50,850 | 52,111 | − 1,261 |
| | 1946 (2) | 19,227 | 66,503 | 43,095 | + 23,408 |

(1) Deaths in the Armed Services in war are not included in the figures for the years from 1940 on.

(2) Provisional the first quarter figures are given for the purpose of comparison.

14. There was a fall in the demographic situation up to 1944 in the towns under consideration (decrease in marriage and born alive figures, increase in death figures). In 1945 there was a recovery though the pre-war level was still much above these figures. The population deficits appearing for 1943 and 1944 are

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10. It is not possible to calculate the rates of marriages, births and deaths per 1,000 inhabitants by years over the whole of Italy since exact population figures by areas are not available. The changes which obviously took place in the central age groups (soldiers, prisoners of war and war dead) will affect any comparison made with pre-war figures.

11. Considering small areas such as regions, provinces and large cities, the difficulty of assessing variations in population is increased owing to the entrance of unregistered emigrants during the war period, and the exodus of old people and children from large cities.

*Marriages, Births and Deaths.*

12. Vital statistics bureaux are not as yet working satisfactorily, because there are many towns in which these bureaux were completely destroyed. Data on number of deaths in the Armed Services during the war years are also missing. It is estimated that there were about 300,000 deaths, although the actual number in each year is not known.

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15. The figures for the whole country shown in Table 6 (data available only up to March 1945), confirm that 1944 was the year of lowest increase in population.

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**While in the years 1943, 1944, and 1945 (first quarter) deaths exceeded births in towns (having more than 50,000 inhabitants each), births exceeded deaths in the whole country.**

TABLE 6

Births and deaths in Italy: 1935-1944

| Years | | Marriages | Born Alive | Deaths (1) | Excess of Births over Deaths |
|---|---|---|---|---|---|
| 1935-39 | | 325,749 | 1,005,730 | 602,572 | 403,158 |
| 1940 | | 314,167 | 1,046,479 | 606,907 | 439,572 |
| 1941 | | 273,695 | 937,546 | 621,735 | 315,811 |
| 1942 | | 287,369 | 926,096 | 643,517 | 282,579 |
| 1943 | (2) | 223,000 | 910,000 | 696,000 | 214,000 |
| 1944 | (2) | 231,000 | 882,000 | 723,000 | 159,000 |
| First quarter 1944 | (2) | 49,700 | 254,800 | 216,500 | 38,300 |
| First quarter 1945 | (2) | 55,900 | 235,700 | 196,900 | 38,800 |

(1) Deaths in the Armed Services in war are not included in the figures for the years from 1940 on.
(2) Provisional.

## *PUBLIC HEALTH*

### *Health Conditions Before the War.*

16. Health conditions in Italy before the war were characterized by the following:—

(a) Large natural increase of population due to a high birth rate. Mortality and infant mortality rates were continuously falling although they were still high as compared with rates in other parts of Europe. (See para. 3 and diagram of child mortality - Table 7 overpage.) The graph (Table 8) illustrates the trend of births and deaths from 1872 to 1944. The diagram (Table 9) and Table 3 give a comparison between Italy and other European countries for marriages, births and deaths.

(b) Absence of "convention" (1) diseases after the last cases of smallpox registered in 1927.

(c) Among "social diseases" (2) tuberculosis reached its lowest incidence in 1939-40 after fifty years of slow but continuous fall. As compared with some other countries the rate before the war per 10,000 inhabitants was as follows:

TABLE 10

Tuberculosis rates in Italy pre-war as compared with some other countries

| | | Rate per 10,000 |
|---|---|---|
| Italy | 1937 | 8.5 |
| Belgium | 1936 | 7.2 |
| Czechoslovakia | 1937 | 12.4 |
| France | 1935 | 12.3 |
| Germany | 1936 | 7.3 |
| Greece | 1936 | 12.9 |
| United Kingdom | 1937 | 7.0 |
| Rumania | 1935 | 17.9 |
| Spain | 1933 | 11.7 |
| Hungary | 1936 | 15.2 |
| United States | 1936 | 5.6 |

vinces, also showed a continuous tendency to decrease and to become localized, particularly as a result of land drainage.

(d) Of other infectious diseases the more important were typhoid fever, paratyphoid and undulant fever, of which a total of 40,000 cases per year were reported. In addition, 1,000 cases of meningitis and 2,000 of infantile paralysis per year were reported.

17. Table 11 gives an indication of the general improvement in health standards which took place in the 40 years to 1934.

### *Past and Present Organization of the Italian Public Health Service.*

18. The organization of the Public Health Services in Italy under the fascist regime was based upon the "Nuo-

TABLE 11

Deaths from Infectious Diseases Classified by Age Groups

Comparison between 1889-91 period and the 1932-34 period

| Age Groups | Absolute Figures (yearly averages) | | Deaths from infectious diseases per 100 total deaths in each age group (yearly average) | |
|---|---|---|---|---|
| | 1889-91 | 1932-34 | 1889-91 | 1932-34 |
| Up to 5 years | 87,410 | 19,582 | 24.2 | 12.6 |
| From 5 to 10 years | 15,751 | 4,201 | 53.9 | 38.1 |
| » 10 » 20 » | 15,259 | 8,166 | 56.0 | 46.2 |
| » 20 » 40 » | 30,671 | 24,871 | 44.8 | 43.9 |

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(b) Absence of "convention" (1) diseases after the last cases of smallpox registered in 1927.

(c) Among "social diseases" (2) tuberculosis reached its lowest incidence in 1939-40 after fifty years of slow but continuous fall. As compared with some other countries the rate before the war per 10,000 inhabitants was as follows:

Malaria, endemic in 50 of the 98 Italian provinces, also showed a continuous tendency to decrease and to become localized, particularly as a result of land drainage.

| | | |
|---|---|---|
| Belgium | 1936 | 7.2 |
| Czechoslovakia | 1937 | 12.4 |
| France | 1935 | 12.3 |
| Germany | 1936 | 7.3 |
| Greece | 1936 | 12.9 |
| United Kingdom | 1937 | 7.0 |
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| » 10 » 20 » | 13,259 | 8,166 | 56.0 | 46.2 |
| » 20 » 40 » | 30,671 | 24,871 | 44.8 | 43.9 |
| » 40 » 60 » | 16,161 | 13,292 | 19.9 | 17.2 |
| » over 60 | 11,616 | 11,587 | 5.9 | 4.4 |
| All ages | 176,868 | 81,700 | 23.1 | 14.0 |

Source: Pubblicazione periodica della Direzione Generale della Sanità Pubblica 1938.

(1) Diseases notifiable under International Sanitary Convention of 1926 - typhus, smallpox, plague, cholera and yellow fever.

(2) Diseases which increase as social circumstances deteriorate.

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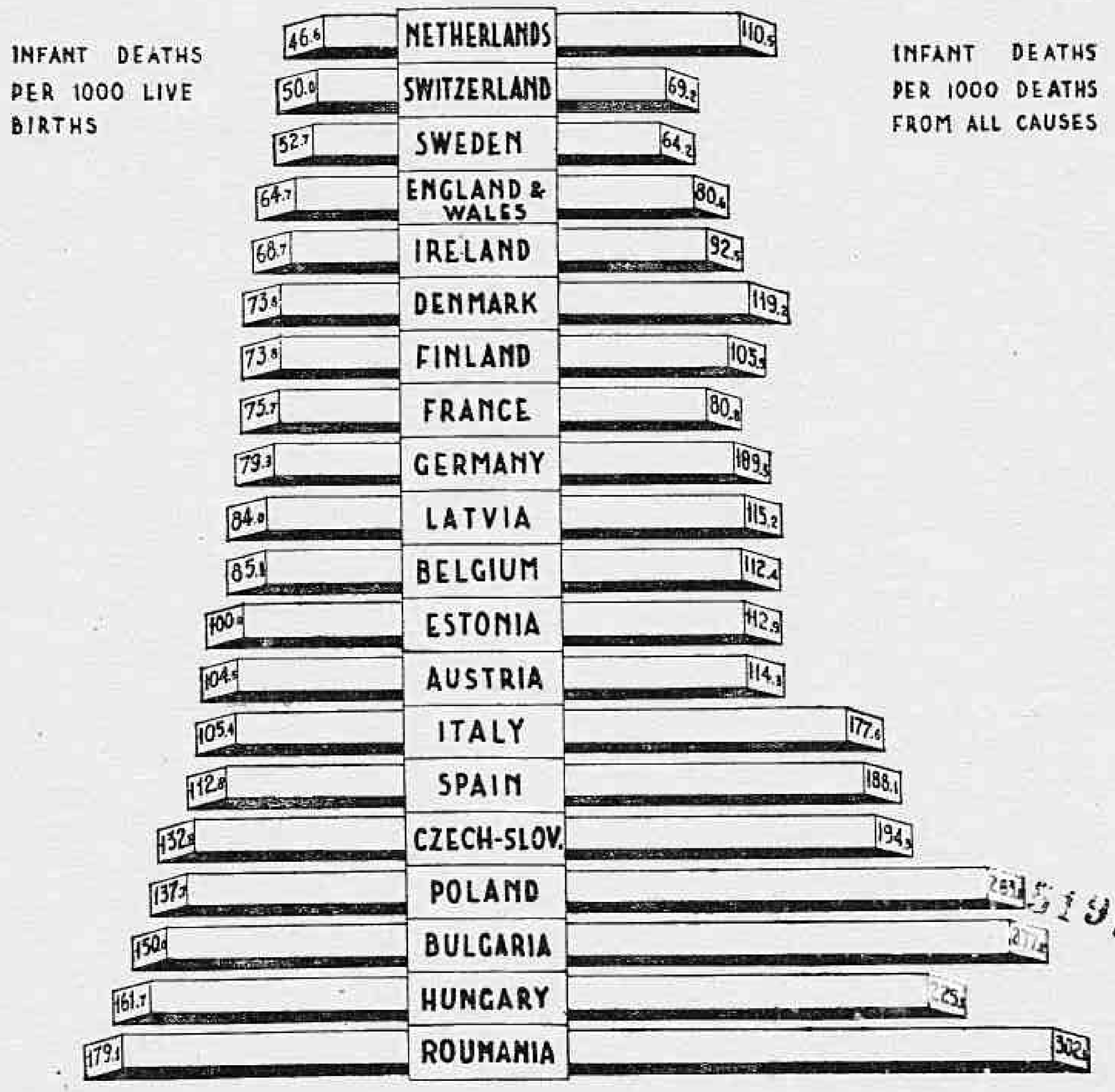
TABLE 7

# INFANT MORTALITY IN THE MAIN EUROPEAN COUNTRIES
(ANNUAL AVERAGE 1931 - 1933)

## CHILD MORTALITY UNDER 1 YEAR OF AGE

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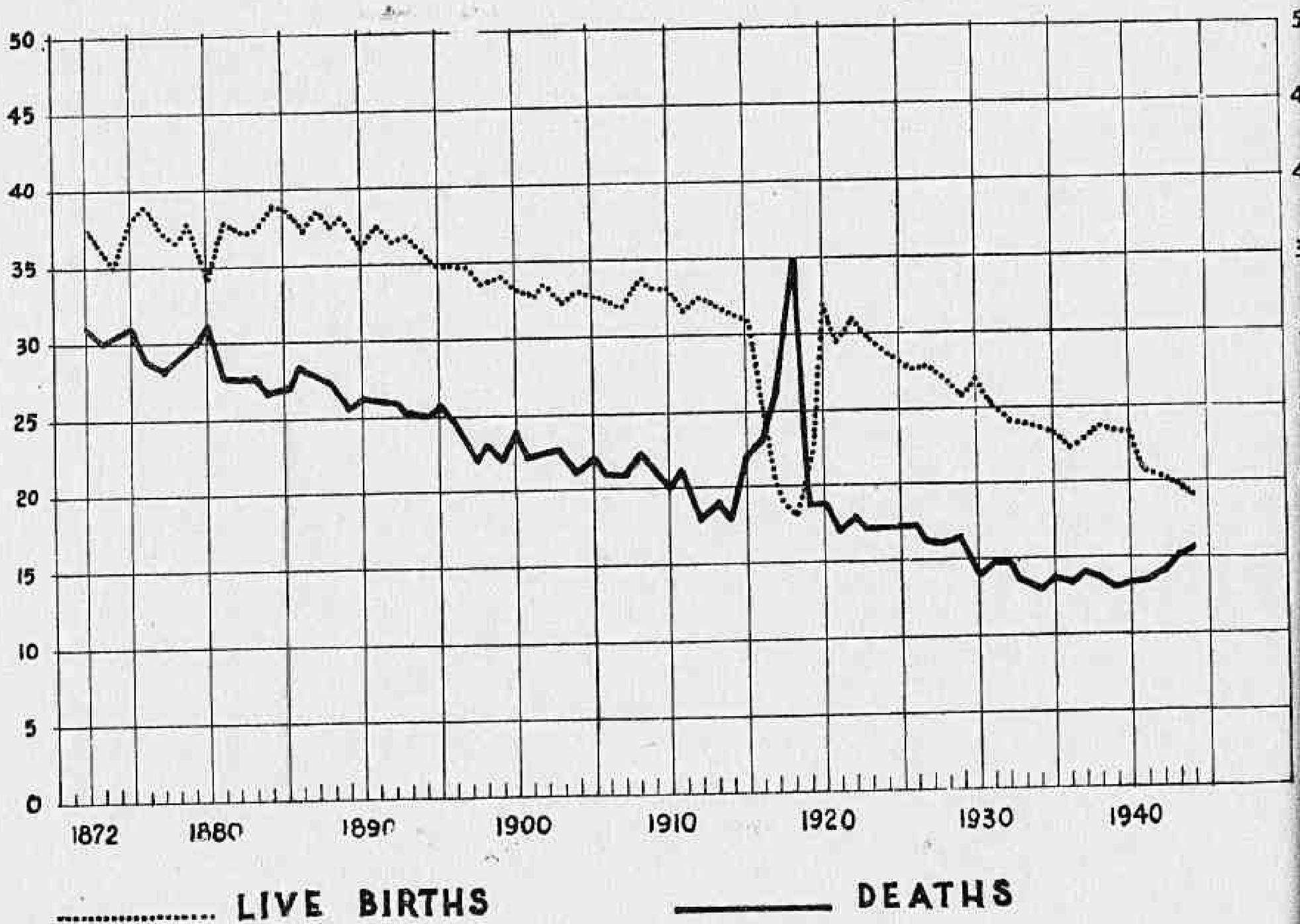
# BIRTHS AND DEATHS PER 1000 INHABITANTS IN ITALY FROM 1872 TO 1944



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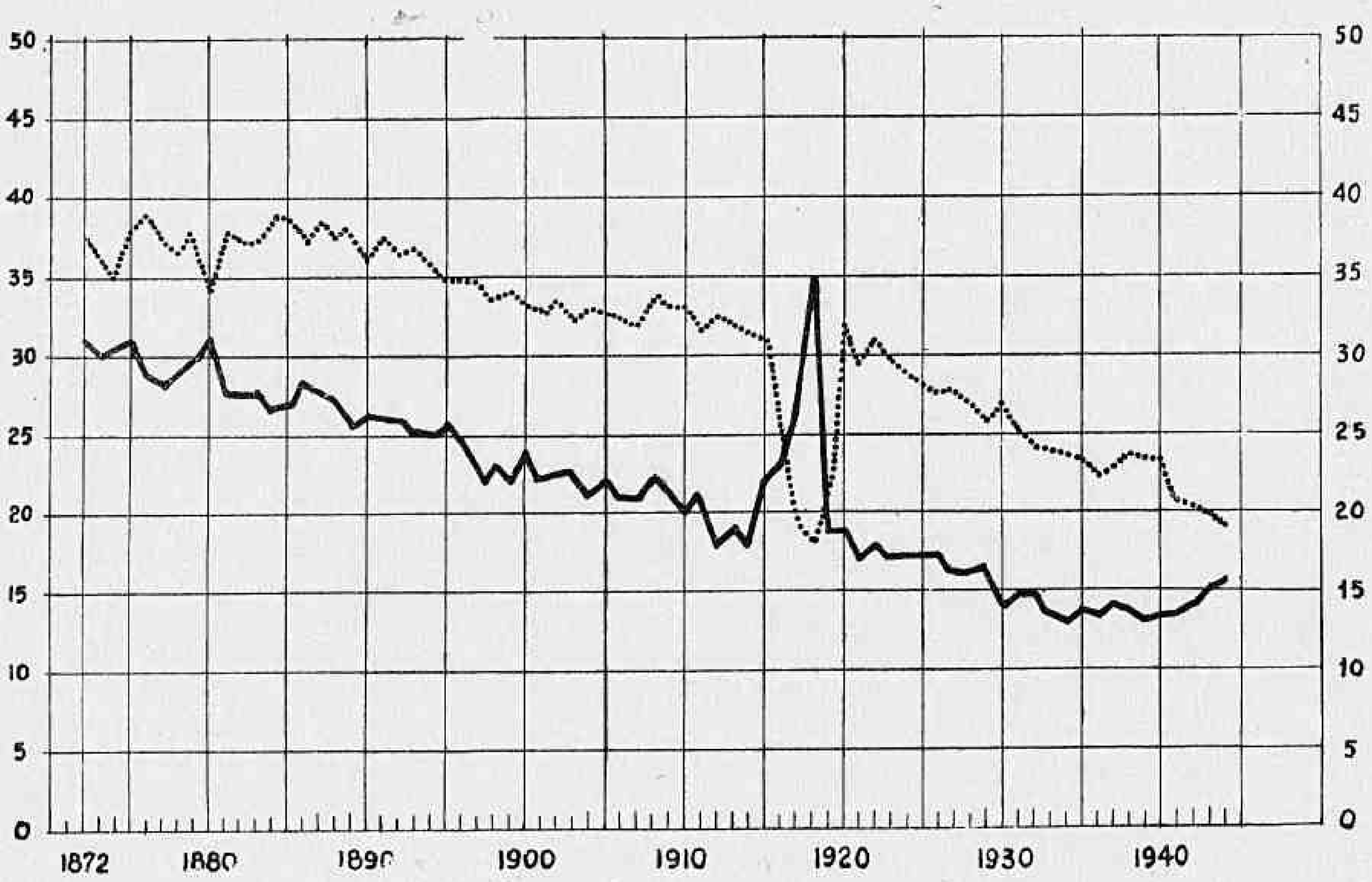


TABLE 8

1727

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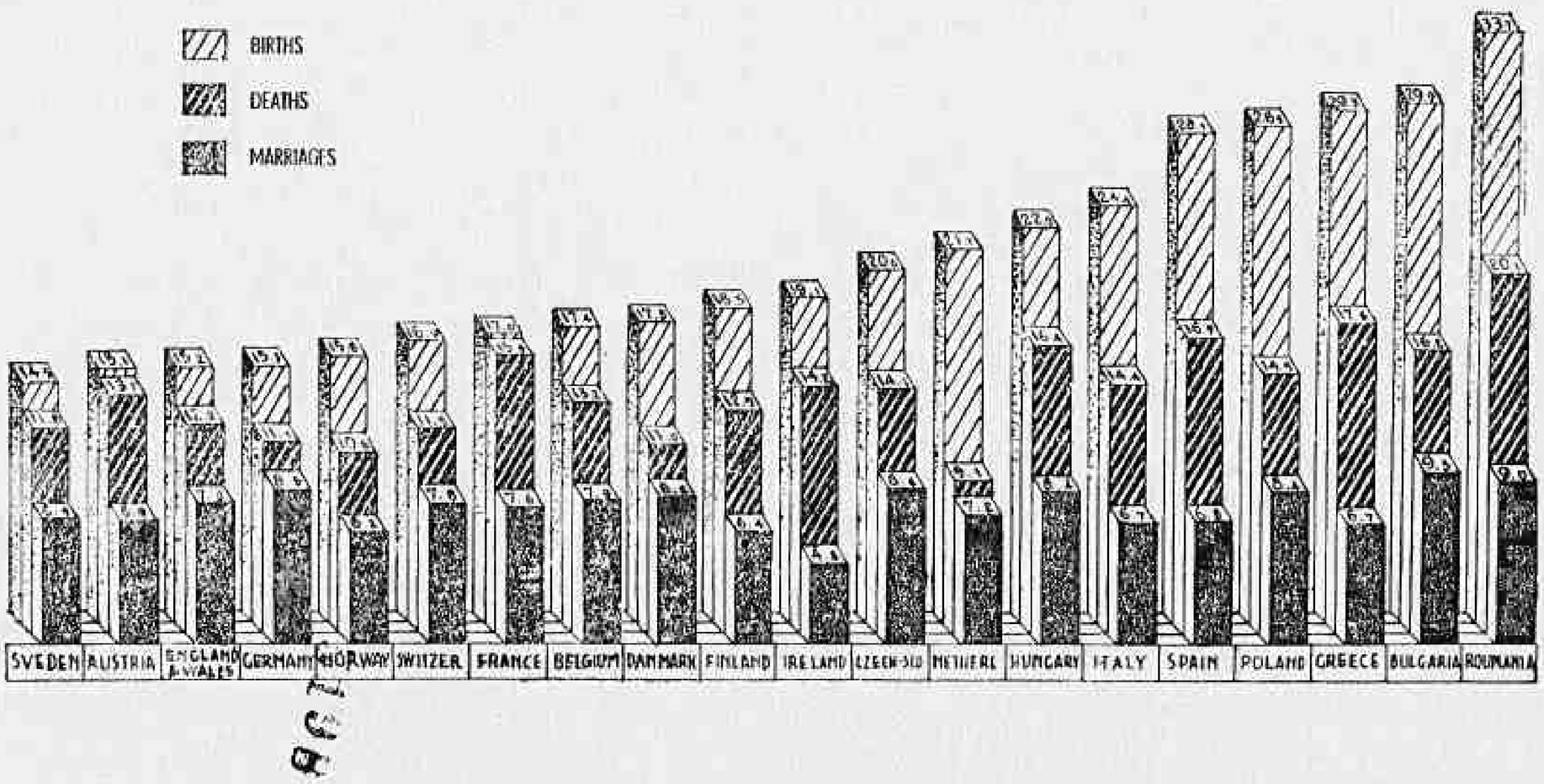
# DEMOGRAPHIC MOVEMENT IN THE PRINCIPAL COUNTRIES OF EUR

## AVERAGE FOR THE YEARS 1931 - 1933

(NUMBERS PER 1000 INHABITANTS)



1728

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# PHIC MOVEMENT IN THE PRINCIPAL COUNTRIES OF EUROPE

AVERAGE FOR THE YEARS 1931 - 1933

(NUMBERS PER 1000 INHABITANTS)

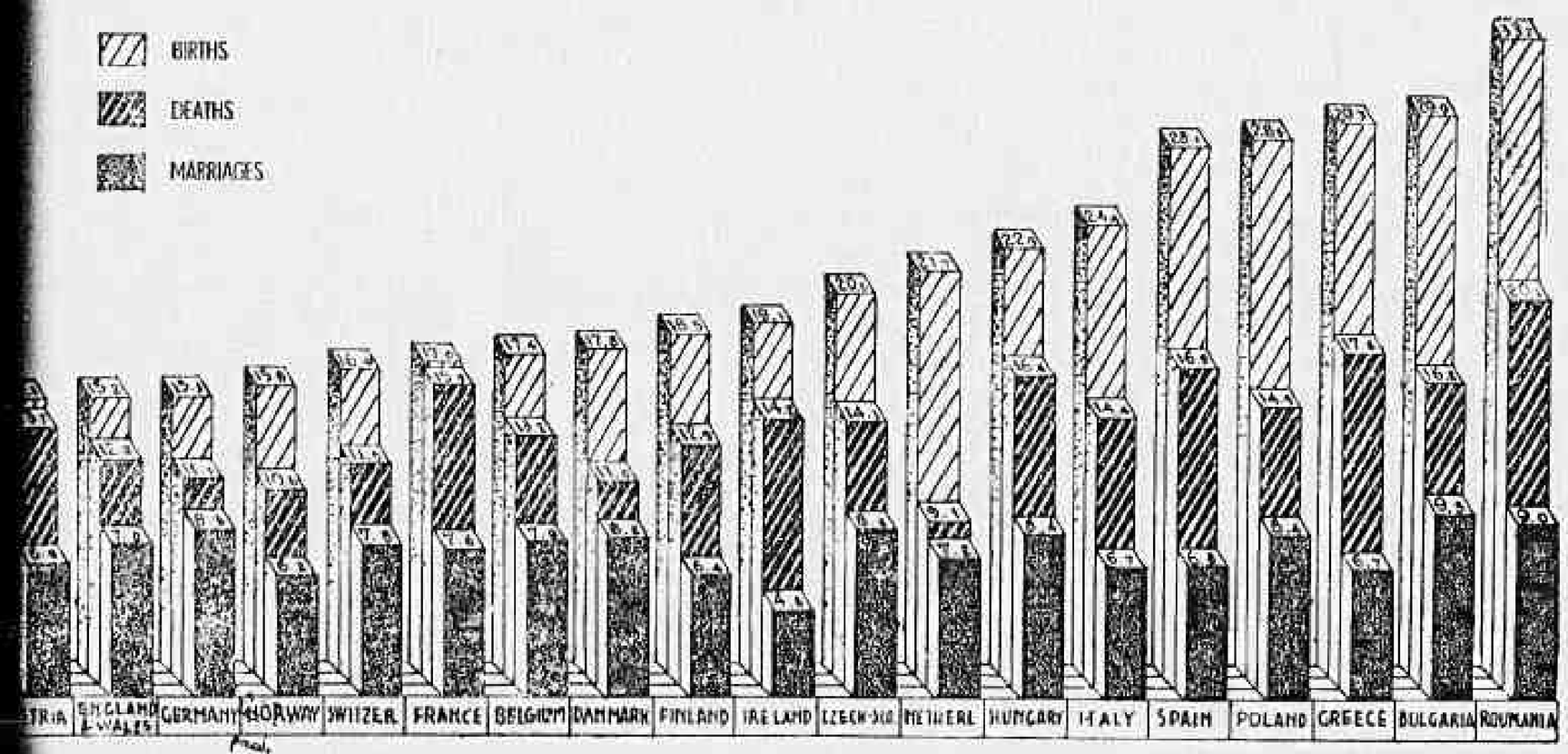


TABLE 8

7

vo Testo Unico delle Leggi Sanitarie" (New text of Health Laws) of 27 July 1934. The Public Health Service was one of six branches or divisions of the Ministry of Interior, the other five being respectively Personnel, Civil Affairs, Public Safety, the Fire Department and Air Raid Precautions, each under a Director General with the exception of the last, which was an inspectorate. Public Health was therefore not dealt with in a separate ministry but as one of the several responsibilities of the Ministry of the Interior.

19. The central administrative controlling agency was the Directorate-General of Public Health, comprising the Director-General, a Vice-Director and a Chief Inspector General. The Directorate-General administered 10 divisions: (1) General Administration and personnel; (2) Supervision of special institutions and vital statistics; (3) General Sanitation and Hygiene; (4) Infectious diseases and tuberculosis control; (5) Malaria and venereal diseases control; (6) Communal and Provincial Health Bureaux; (7) Administration of medical assistance in the Communes; (8) Control of pharmaceutical production; (9) Narcotic control; (10) Veterinary administration.

20. In addition to the Directorate-General, two other central bodies came under the direction of the Ministry, one being the "Istituto Superiore di Sanità" (High Institute of Health) in Rome, while the second was the "Consiglio Superiore di Sanità" (High Council of Health), a council of specialists selected to act as advisers to the General-Directorate. The Consiglio ceased to have any corporate existence in 1943. On 19 April 1945, it was replaced by the "Commissione Consultiva Centrale di Sanità" (Central Consultative Commission of Health), a body of similar composition and identical powers and functions as those of the Consiglio.

21. The Ministry of the Interior exercized control of Public Health services in the provinces through the Prefects. Thus, while each province had a provincial medical officer, a Medico Provinciale, who exercised professional and technical control over the provincial health services, it was not he, but the Prefect, who was ultimately responsible to the Ministry for the health of his particular province. Just as the General-Directorate came under and was responsible to the Ministry of Interior, so the Medico Provinciale came under and was responsible to the Prefect.

22. Similarly, in the Communes, which are subdivisions of the provinces, the Mayor or Sindaco, was the administrative head, responsible to the Prefect for all that occured in his Commune and he had as his level the same functions as the Consiglio Superiore performed at Governmental level.

24. By Legislative Decree No. 446 of 31 July 1945 the General Direction of Public Health of the Ministry of Interior was abolished and the Office of a High Commissioner was established. This Office was given the power of exercising all the functions exercised by the Ministry of Interior regarding hygiene and public health and was made directly responsible to the Council of Ministers without any intermediary.

25. This step has been welcomed by the Italian medical profession but the High Commission has acted only centrally, for the Medico Provinciale is still under the jurisdiction of and responsible to the Prefect, and the Ufficiale Sanitario responsible to the Sindaco. None the less, it is indicative of a change of thought regarding the Italian health services and is believed by many to be only a first step towards a complete reorganization of public health administration.

*Effects of the War on Public Health.*

26. The war, as it advanced through Italy, left its imprint upon every aspect of Public Health activities. This imprint was easily recognizable in the damaged cities of Sicily, Southern and Central Italy in areas where the fighting was fiercest and most prolonged. From Bologna to Syracuse the bombed cities and towns tell their own mute tale of the destruction of hospitals, the disruption of essential hygiene services, and the consequent accumulation of debris and litter, breeding places for flies and other disease carriers. Much has already been done in remedying the outstanding potential threats to public health, but much more remains to be done and many years will elapse before conditions in these towns will even approximate to their pre-war normality.

27. While these conditions strike the eye and are readily comprehended, many other less visible factors attributable to war put a severe strain upon the disorganized Italian health services and the agencies which were operating to help them. One of the most important of these was the disruption of communications, with the result that outbreaks of disease could and did occur in isolated areas, lasting sometimes for a week or more before the central authority could be notified and aid requested. Lack of transport was also a severe handicap to the provincial health authorities as well

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with the exception of the last, which was an inspectorate. Public Health was therefore not dealt with in a separate ministry but as one of the several responsibilities of the Ministry of the Interior.

19. The central administrative controlling agency was the Directorate-General of Public Health, comprising the Director-General, a Vice-Director and a Chief Inspector General. The Directorate-General administered 10 divisions: (1) General Administration and personnel; (2) Supervision of special institutions and vital statistics; (3) General Sanitation and Hygiene; (4) Infectious diseases and tuberculosis control; (5) Malaria and venereal diseases control; (6) Communal and Provincial Health Bureaux; (7) Administration of medical assistance in the Communes; (8) Control of pharmaceutical production; (9) Narcotic control; (10) Veterinary administration.

20. In addition to the Directorate-General, two other central bodies came under the direction of the Ministry, one being the "Istituto Superiore di Sanità" (High Institute of Health) in Rome, while the second was the "Consiglio Superiore di Sanità" (High Council of Health), a council of specialists selected to act as advisers to the General-Directorate. The Consiglio ceased to have any corporate existence in 1943. On 19 April 1945, it was replaced by the "Commissione Consultiva Centrale di Sanità" (Central Consultative Commission of Health), a body of similar composition and identical powers and functions as those of the Consiglio.

21. The Ministry of the Interior exercized control of Public Health services in the provinces through the Prefects. Thus, while each province had a provincial medical officer, a Medico Provinciale, who exercised professional and technical control over the provincial health services, it was not he, but the Prefect, who was ultimately responsible to the Ministry for the health of his particular province. Just as the General-Directorate came under and was responsible to the Ministry of Interior, so the Medico Provinciale came under and was responsible to the Prefect.

22. Similarly, in the Communes, which are subdivisions of the provinces, the Mayor or Sindaco, was the administrative head, responsible to the Prefect for all that occurred in his Commune and he had as his medical advisor the Ufficiale Sanitario or Commune Health Officer.

23. Just as the General-Directorate had an advisory Consiglio, so each province had a "Consiglio Provinciale di Sanità" (Provincial Health Council), presided over by the Prefect, which performed at the provincial

missioner was established. This Office was given the power of exercising all the functions exercised by the Ministry of Interior regarding hygiene and public health and was made directly responsible to the Council of Ministers without any intermediary.

25. This step has been welcomed by the Italian medical profession but the High Commission has acted only centrally, for the Medico Provinciale is still under the jurisdiction of and responsible to the Prefect, and the Ufficiale Sanitario responsible to the Sindaco. None the less, it is indicative of a change of thought regarding the Italian health services and is believed by many to be only a first step towards a complete reorganization of public health administration.

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27. While these conditions strike the eye and are readily comprehended, many other less visible factors attributable to war put a severe strain upon the disorganized Italian health services and the agencies which were operating to help them. One of the most important of these was the disruption of communications, with the result that outbreaks of disease could and did occur in isolated areas, lasting sometimes for a week or more before the central authority could be notified and aid requested. Lack of transport was also a severe handicap to the provincial health authorities as well as to the hospitals. Owing to the confiscation of their cars, medici provinciali were unable to visit their outlying districts and had to remain immobilized in the provincial capital, unaware of what was taking place in the communes, while patients requiring urgent treatment had to be conveyed to hospital by mule or ox

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transport. The hospitals themselves were doubly handicapped—first by destruction of their buildings and secondly by the systematic looting of beds, equipment, X-Ray plant and ambulances by the retreating enemy. They thus had to face the almost insuperable problem of having insufficient space, beds and equipment with which to deal with an unprecedented flow of patients. The seizure of hospital equipment by the Germans is estimated at about 20 % of the total pre-war equipment (beds, mattresses, sheets, medicines, surgical instruments, radiological equipment, etc.)

28. The destruction of houses had the effect of causing gross overcrowding in the buildings which remained intact, thus affording an admirable opportunity for the spread of communicable diseases such as typhus and smallpox. This was well exemplified in the Naples typhus epidemic, which spread rapidly once introduced into a community huddled together in buildings, air-raid shelters and caves. Typhus was also introduced into the country on several occasions, subsequent to that epidemic, by returning refugees who had eluded medical inspection at the frontier posts.

29. As a result of the damage to water supplies a number of typhoid epidemics occurred, while at one time plague was introduced into the port of Taranto from a vessel arriving from overseas.

30. Malaria became a serious problem owing to the destruction of the carefully planned bonifica (drainage, road building and land settlement) programs and the flooding of marshy areas following the sabotage of pumping machinery.

31. The population also suffered early from a lack of medical supplies. The Italian pharmaceutical industry is chiefly to be found in the north and, following the invasion, the centre and south were thus cut off from their source of supply. Reserve stocks soon dwindled and, as a result, the price of even the commonest drug soared to such a figure as to make supplies beyond the reach of the average purchaser. When emergency stocks were brought in, lack of transport made it extremely difficult to get such supplies to outlying districts.

32. Such was the picture that confronted the UNRRA Mission when it began operating in Italy in October 1944.

### *The Health Situation in 1946.*

33. There exist at present many temporary factors in the Italian economy which exert a detrimental influence on public health. Among these may be mentioned the short in fats, animal proteins and calorific value. Evidence of gross malnutrition is not at present apparent, although it is probable that further reduction in the available food supplies would cause malnutrition on an extensive scale.

34. The rise in wages has not kept pace with the rise in the cost of living. This has resulted in inequalities in distribution—in an abundance of supplies to the privileged classes while those in the lower income groups are unable to purchase a sufficiency of the necessities of life. In spite of this, although working efficiency has been reduced, the general health of the people at present is reasonably good, and epidemic diseases give no cause for anxiety.

35. The relatively good standard of health existing in Italy to-day as compared with other European countries is attributable to several factors. Probably one of the reasons is that the war in Italy was fought with the Italian people as co-belligerents. As a result help was received from the Allied Armies and living conditions were less severe than would otherwise have been the case. An advantage that Italy has over other countries is its favorable climate. Winter is less severe than in more northerly lands. Undernourishment, loss of warmth and habitation are less likely to be fatal as a result. Add to this the availability over a large part of the year of fresh fruit and vegetables in almost all parts of the country and the beneficient effects of the sun and some explanation is afforded of how Italy has succeeded in avoiding a large scale deterioration of public health.

### *Infant Mortality.*

36. Data on infant mortality (children who died under one year of age per 1,000 live born) are more precise than those for the general population since the proportion of children who died under one year of age is computed from the number born and registered and not from the number of inhabitants.

37. Infant mortality rates for 69 towns, each with a population of more than 30,000 inhabitants (aggregating 25 % of total population), were as follows:—

3197

TABLE 12

Infant mortality rates in 69 Italian towns

| | |
|---|---|
| 1935-39 | 84.1 |
| 1940 | 85.2 |
| 1941 | 95.8 |

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which to deal with an unprecedented flow of patients. The seizure of hospital equipment by the Germans is estimated at about 20 % of the total pre-war equipment (beds, mattresses, sheets, medicines, surgical instruments, radiological equipment, etc.)

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32. Such was the picture that confronted the UNRRA Mission when it began operating in Italy in October 1944.

### *The Health Situation in 1946.*

33. There exist at present many temporary factors in the Italian economy which exert a detrimental influence on public health. Among these may be mentioned the overcrowding which exists in some of the large cities and which has been aggravated by the destruction of houses and the movements of population resulting from the war. Another major factor is the poor nutritional state of urban populations. These are largely living on a bare subsistence ration and a badly-balanced diet, in the cost of living. This has resulted in inequalities in distribution—in an abundance of supplies to the privileged classes while those in the lower income groups are unable to purchase a sufficiency of the necessities of life. In spite of this, although working efficiency has been reduced, the general health of the people at present is reasonably good, and epidemic diseases give no cause for anxiety.

35. The relatively good standard of health existing in Italy to-day as compared with other European countries is attributable to several factors. Probably one of the reasons is that the war in Italy was fought with the Italian people as co-belligerents. As a result help was received from the Allied Armies and living conditions were less severe than would otherwise have been the case. An advantage that Italy has over other countries is its favorable climate. Winter is less severe than in more northerly lands. Undernourishment, loss of warmth and habitation are less likely to be fatal as a result. Add to this the availability over a large part of the year of fresh fruit and vegetables in almost all parts of the country and the beneficient effects of the sun and some explanation is afforded of how Italy has succeeded in avoiding a large scale deterioration of public health.

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37. Infant mortality rates for 69 towns, each with a population of more than 50,000 inhabitants (aggregating 25 % of total population), were as follows:—

3197

TABLE 12

Infant mortality rates in 69 Italian towns

| | | |
|---|---|---|
| | 1935-39 | 84.1 |
| | 1940 | 85.2 |
| | 1941 | 95.8 |
| | 1942 | 100.5 |
| | 1943 | 111.2 |
| | 1944 | 113.2 |
| | 1945 | 98.8 |
| First quarter | 1945 | 100.2 |
| | 1946 | 84.1 |

Source: Istituto Centrale di Statistica.

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TABLE 13

Infant mortality rates in 6 large Italian cities
(children who died under one year of age per 1,000 live births)

| Year | Genoa | Turin | Milan | Rome | Florence | Naples |
|---|---|---|---|---|---|---|
| 1939 | 69.9 | 76.6 | 77.5 | 75.0 | 55.7 | 83.4 |
| 1940 | 71.8 | 84.0 | 79.4 | 84.7 | 60.3 | 112.8 |
| 1941 | 68.6 | 82.2 | 83.1 | 84.6 | 68.6 | 147.1 |
| 1942 | 77.7 | 91.5 | 79.5 | 74.8 | 73.8 | 136.6 |
| 1943 | 98.3 | 102.6 | 105. | 104.1 | 72.6 | 176.3 |
| 1944 | 127.5 | 78.8 | 71.5 | 137.6 | 104.8 | 139.1 |
| 1945 | 97.9 | 92.1 | 90.7 | 84.7 | 95.5 | 92.1 |
| 1st quarter 1945 | 117.0 | 100.8 | 110.6 | 115.8 | 135.4 | 100.8 |
| 1st quarter 1946 | 59.6 | 90.3 | 77.4 | 75.0 | 119.9 | 90.3 |

Source: Uffici Communali di Statistica.

38. Rates of infant mortality reached the highest point in Naples, Turin and Milan in 1943 and in Rome, Florence and Genoa in 1944. In 1945 infant mortality decreased, though it is still substantially higher than the 1939 level.

*Deaths from Tuberculosis.*

39. The deaths from tuberculosis—pulmonary and others—for 11 Italian cities with over 100,000 de facto inhabitants, are shown in Table 14.

TABLE 14

Deaths from Tuberculosis in 11 Large Italian Cities: 1938 and 1941 to 1945

| Cities | 1938 | 1941 | 1942 | 1943 | 1944 | 1945 |
|---|---|---|---|---|---|---|
| | No. of Deaths | | | | | |
| 1. Genoa | 791 | 777 | 1,010 | 1,014 | 1,106 | 1,116 |
| 2. Milan | 919 | 967 | 1,249 | 970 | 1,075 | 1,408 |
| 3. Verona | 108 | 188 | 274 | 311 | 285 | 283 |
| 4. Padua | 216 | 285 | 377 | 369 | 284 | 316 |
| 5. Venice | 332 | 369 | 539 | 591 | 632 | 573 |
| 6. Trieste | 454 | 535 | 612 | 661 | 717 | 780 |
| 7. Rome | 1,583 | 1,879 | 2,503 | 2,959 | 3,579 | 2,692 |
| 8. Naples | 1,197 | 1,559 | 2,084 | 1,767 | 1,690 | 1,425 |
| 9. Taranto | 163 | 81 | 139 | (1) 139 | 118 | 91 |
| 10. Catania | 291 | 242 | 412 | 304 | 287 | 297 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 161 | 182 |

40. From Table 14 .. appears that in the 11 largest Italian cities mortality from tuberculosis reached a maximum in 1944, showing an increase of 59 % compared with 1938. The improvement in 1945 was slight (showing an increase of 47 % compared with 1938), since housing and feeding conditions are still extremely poor.

## *UNRRA ASSISTANCE*

41. UNRRA's contribution towards relief and rehabilitation in the sphere of public health has been diverse and many-sided. While figures can be given for supplies imported and distributed, for surveys which have been made and for anti-malarial measures which have been taken, no statistics can indicate the close liaison which exists between the office of the UNRRA Italy Health Division and that of the High Commissioner for Public Health. Daily conferences are held, every aspect of Italian health is examined and discussed and each project that is initiated, results from coordinated planning and mutual agreement between the two offices. The following paragraphs (42 to 66) summarize the main features of UNRRA health work in Italy.

*UNRRA Medical Supplies.*

42. Figures of the medical supply program at end June 1946 are:—

TABLE 15

UNRRA Medical Supply Program, 1945-46

| | Tons | Approx. Value $ |
|---|---|---|
| Supplies received in Italy | 5,800 | 6,500,000 |
| Distributed to date | 2,675 | 2,921,000 |
| For immediate distribution | 1,450 | 1,225,000 |
| Held for Hospital Units and operational purposes | 615 | 307,500 |
| Held in reserve pending allocation, approx. | 1,060 | 2,046,500 |

43. The medical supplies to be provided by UNRRA to Italy are valued at 16,710,000 dollars out of a total UNRRA program of 425,000,000 dollars. The supplies

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1939 | 69.9 | 76.6 | 77.5 | 75.0 | 55.7 | 83.4 |
| | 1940 | 71.8 | 84.0 | 79.4 | 84.7 | 60.3 | 112.8 |
| | 1941 | 68.6 | 82.2 | 83.1 | 84.6 | 68.6 | 147.1 |
| | 1942 | 77.7 | 91.5 | 79.5 | 74.8 | 73.8 | 136.6 |
| | 1943 | 98.3 | 102.6 | 105. | 104.1 | 72.6 | 176.3 |
| | 1944 | 127.5 | 78.8 | 71.5 | 137.6 | 104.8 | 139.1 |
| | 1945 | 97.9 | 92.1 | 90.7 | 84.7 | 95.5 | 92.1 |
| 1st quarter | 1945 | 117.0 | 100.8 | 110.6 | 115.8 | 135.4 | 100 8 |
| | 1946 | 59.6 | 90.3 | 77.4 | 75.0 | 119.9 | 90.3 |

Source : Uffici Comunali di Statistica.

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| 6. Trieste . . | 454 | 535 | 612 | 661 | 717 | 780 |
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| 8. Naples . . | 1,197 | 1,559 | 2,084 | 1,767 | 1,690 | 1,425 |
| 9. Taranto . . | 163 | 81 | 139 | (1) 139 | 118 | 91 |
| 10. Catania . . | 291 | 242 | 412 | 304 | 287 | 297 |
| 11. Messina . . | 186 | 201 | 245 | 229 | 161 | 182 |
| TOTAL | 6,240 | 7,083 | 9,444 | 9,314 | 9,934 | 9,163 |
| Index Numbers 1938 = 100 . | 100 | 114 | 151 | 149 | 159 | 147 |

(1) Estimate.

since housing and feeding conditions are still extremely poor.

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43. The medical supplies to be provided by UNRRA to Italy are valued at 16,710,000 dollars out of a total UNRRA program of 425,000,000 dollars. The supplies cover every branch of medical needs and form a vital part of the UNRRA relief plan.

44. Table 16 shows an analysis of some of the special distributions made by UNRRA of particular medical supply needs.

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TABLE 16

Special Material provided and distributed by UNRRA up to June 1946

| | U.S. Dollars |
|---|---|
| Penicillin - 59,792 phials of 100,000 oxford units each | 91,817.60 |
| Insulin - 53,820,000 units | 37,804.00 |
| Crystallized Insulin - 165,337,000 units. | 122,502.00 |
| Narcotics - Tincture of opium, morphia and codine | 11,112.70 |
| Cod Liver Oil - Kg. 188,000 approx. | 213,228.00 |
| Units for disinfestations - 6 units | 23,800.00 |
| Cotton-wool - 2,235,163 lbs (made into 2,500,000 sq. meters of material for sheets, 800,000 sq. m. material for pillow cases, 50,000 sq. m. material for towels) | 504,870.58 |
| Laundry and toilet soap - Kg. 160,000 | 42,400.00 |
| Ambulances - 85 | 140,935.00 |
| Trucks - 6 for Sardinian anti-malarial program | 9,000.00 |
| Tungsten - 100 pounds - for X-Ray tubes | 1,106.79 |
| Anti-epidemic vaccines - 3,968 bottles | 1,388.80 |
| Radiographic films - 5994 dozen | 30,822.12 |
| Microscopes - 39 | 1,702.64 |
| Medical supplies, surgical materials, surgical instruments, and apparatuses, hospital and laboratory equipment, hospital and laboratory units, radiological units, disinfestation material, articles for new-born children | 2,900,268.96 |
| TOTAL | 4,161,759.19 |

*Distribution of UNRRA Medical Supplies.*

45. Medical supplies arriving in Italy are received at the port by representatives of the Foreign Trade Institute (I.C.E. - Istituto Commercio Estero) and are transferred to Government warehouses. UNRRA then breaks down the supplies into the various programs for which they are intended, e.g.,

(a) General Distribution

(b) Special distribution, i.e., insulin, narcotics, liver injections, penicillin, etc.

(c) Hospital and Laboratory unit requirements

47. The recipients at a provincial level are the Medici Provinciali (Provincial Medical Officers), who have previously been notified by the High Commissioner of the supplies they are to receive. UNRRA Regional Medical Officers are similarly notified by the Director of Health at UNRRA Headquarters.

48. Final distribution between individual hospitals, etc., within the Province is worked out by the UNRRA Regional Medical Officer and the Italian Provincial Medical Officer for the Province concerned.

*Pricing of UNRRA Medical Supplies.*

49. UNRRA medical supplies are provided free of cost to the Italian Government. For the earlier supplies payment to the Government in local currency was made at the U.S. Catalogue price plus one third. Of the later supplies the price of penicillin has been fixed at the lire equivalent of landed cost plus one third to cover free distribution of 25 per cent. of the total. The net proceeds are credited to the Lira Fund (1).

50. Penicillin is now arriving in increasing quantity and plans are being prepared for the clinical use of the drug on a more extensive scale. It is hoped that a number of diseases in which penicillin is therapeutically active will be added to the approved list of diseases for which the drug may now be used in Italy.

51. Reports indicate that hospitals, sanatoria and other medical institutions throughout Italy, Sicily and Sardinia are now reasonably well supplied with expendable drugs. UNRRA drugs can now be made available to additional medical institutions such as semi-Governmental organizations which deal with the ambulatory sick and other official medical services which perform a public service.

52. The UNRRA 1946 medical supply program aims at the importation of raw materials not produced in Italy. These will be processed and packed in Italian factories, thereby reviving a section of the pharmaceutical industry and finding employment for pharmaceutical workers. The end-products manufactured from imported raw materials cannot reach Italy in need before the end of 1946 or the beginning of 1947, but the aim of this program is to assist in re-establishing normal conditions in so far as the manufacture and supply of medical necessities is concerned.

53. Recent reports from the Provinces indicate that

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| | U.S. Dollars |
|---|---|
| Penicillin - 59,792 phials of 100,000 oxford units each | 91,817.60 |
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| Crystallized Insulin - 165,337,000 units | 122,502.00 |
| Narcotics - Tincture of opium, morphia and codine | 11,112.70 |
| Cod Liver Oil - Kg. 188,000 approx. | 242,228.00 |
| Units for disinfestations - 6 units | 23,800.00 |
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(a) General Distribution

(b) Special distribution, i.e., insulin, narcotics, liver injections, penicillin, etc.

(c) Hospital and Laboratory unit requirements

(d) Dental, X-Ray, Layette requirements

(e) Sanitation supplies—epidemic control, etc.

46. The breakdown is agreed with the High Commissioner for Public Health and then sent to the warehouses. An UNRRA observer checks that the distribution to provinces is correctly carried out as agreed.

Medical Officers are similarly notified by the Director of Health at UNRRA Headquarters.

48. Final distribution between individual hospitals, etc., within the Province is worked out by the UNRRA Regional Medical Officer and the Italian Provincial Medical Officer for the Province concerned.

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51. Reports indicate that hospitals, sanatoria and other medical institutions throughout Italy, Sicily and Sardinia are now reasonably well supplied with expendable drugs. UNRRA drugs can now be made available to additional medical institutions such as semi-Governmental organizations which deal with the ambulatory sick and other official medical services which perform a public service.

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53. Recent reports from the Provinces indicate that needs are changing rapidly, i.e., previously the urge was for medical supplies, whereas now Medici Provinciali are becoming more interested in the problems connected with tuberculosis control, child and maternal hygiene, water supply, and other public health matters.

(1) See Supplement to «Economic Notes» Vol. I, No. 31, 16 August 1946, pp. 59-61.

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Italy is passing beyond the emergency period. Her basic medical requirements are being fulfilled with the exception of surgical instruments, dressings, and items such as hormones and radio-opaque substances. Medical officers and hospitals are short of transport. Motor cars, ambulances, and necessary gasoline and tires are needed.

*UNRRA Assistance to Hospitals.*

54. UNRRA has imported hospital units designed to put damaged and looted hospitals on a working basis. The war damage to hospitals in Italy is estimated by the Italian Government at 12,350 million lire (1946 value). These units contain both beds and equipment and are in two sizes—one for a hospital of 40 beds, the other for one of 200 beds. Table 17 shows the bed-units and mattresses which have already been distributed up to July 1946.

55. During August 1946 the Regina Margherita Hospital at Messina was reopened. The reopening of the hospital, which has been requisitioned many times, was made possible by the allocation of an UNRRA 200-bed hospital unit. UNRRA sheeting material had also arrived and about 140 patients are already hospitalized.

56. Another 200-bed hospital unit was delivered in 1946 to the Civil Hospital, Dolo (Venezia). Five 40-bed hospital units were delivered to the following institutions: Civil Hospital, Fidenza (Parma); Civil Hospital, Palermo; Palazzo Adriano, Palermo; Sanatorium Serraino Vulpitta, Trapani; Agrigento Civil Hospital, Licata (Sicily); Ospedale Isolamento, Trapani (Sicily). The last two divide one 40-bed hospital unit between them.

57. Distribution of the items in the remaining twenty-one 40-bed hospital units plus 350 beds and mattresses and other hospital equipment such as furniture, surgical instruments and kitchenware is being planned and executed during August 1946. In addition, laboratory units were delivered in July 1946 to the Sicilian Provincial Laboratories of Messina, Catania and Caltanissetta (1).

*Ambulances.*

58. 85 ambulances have already been distributed to Medici Provinciali, hospitals, and institutions, while a further 95 have been allocated and are awaiting delivery. These ambulances will remain the property of the Italian

TABLE 17

Beds distributed by UNRRA to Hospitals in Italy
(To 6 July 1946)

| | |
|---|---|
| Civilian Hospitals at: | |
| La Spezia | 150 mattresses<br>One 200-bed unit. |
| Rimini | 100 beds, 100 mattresses |
| Guardiagrele | One 40-bed unit. |
| Messina | One 200-bed unit.<br>100 beds |
| Foggia | One 200-bed unit to be divided with S. Severo<br>30 beds, 30 matts. |
| Salerno | One 200-bed unit. |
| Castelnuovo Carf. | One 40-bed unit. |
| Nocera Inferiore | One 40-bed unit. |
| Civitavecchia | One »<br>60 mattresses |
| Frosinone | One 40-bed unit |
| Palestrina | 20 collapsible beds<br>20 mattresses |
| Ceprano | 20 beds<br>30 mattresses |
| Brindisi | 50 beds, 150 mattresses. |
| Avellino | 30 beds, 30 mattresses |
| Matera | 30 beds, 30 mattresses |
| Potenza | 40 beds, 40 mattresses |
| Tricarico | One 40-bed unit. |
| Ribbiena | One 40-bed unit. |
| Chiusi | One » |
| Velletri | One 20-bed unit. |
| Ceprano | 20 mattresses |
| Consorzio Prov. Anti-T.B. at: | |
| La Spezia | 150 beds |
| Baths at: | |
| Acqui | 200 mattresses, 200 beds<br>200 mattress covers |
| Infantile Paralysis Hosp. at: | |
| Arlevia | 80 beds<br>40 mattresses and other materials |
| Infirmary at: | |
| Marotta | 16 mattresses |

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needed.

### *UNRRA Assistance to Hospitals.*

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### *Ambulances.*

58. 85 ambulances have already been distributed to Medici Provinciali, hospitals, and institutions, while a further 95 have been allocated and are awaiting delivery. These ambulances will remain the property of the Italian Government, but will be assigned to the Medici Provinciali for use by specified hospitals and medical institutions in the provinces.

(1) To end August 1946 UNRRA had supplied to hospitals etc. 3,146 beds and 2,776 mattresses.

| | |
|---|---|
| Civilian Hospitals at: | |
| La Spezia | 150 mattresses<br>One 200-bed unit. |
| Rimini | 100 beds, 100 mattresses |
| Guardiagrele | One 40-bed unit. |
| Messina | One 200-bed unit.<br>100 beds |
| Foggia | One 200-bed unit to be divided with S. Severo<br>30 beds, 30 matts. |
| Salerno | One 200-bed unit. |
| Castelnuovo Carf. | One 40-bed unit. |
| Nocera Inferiore | One 40-bed unit. |
| Civitavecchia | One "<br>60 mattresses |
| Frosinone | One 40-bed unit |
| Palestrina | 20 collapsible beds<br>20 mattresses |
| Cepranо | 20 beds<br>30 mattresses |
| Brindisi | 50 beds, 150 mattresses. |
| Avellino | 30 beds, 30 mattresses |
| Matera | 30 beds, 30 mattresses |
| Potenza | 40 beds, 40 mattresses |
| Tricarico | One 40-bed unit. |
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| Velletri | One 20-bed unit. |
| Ceprano | 20 mattresses |
| Consorzio Prov. Anti-T.B. at: | |
| La Spezia | 150 beds |
| Baths at: | |
| Acqui | 200 mattresses, 200 beds<br>200 mattress covers |
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| Ariccia | 80 beds<br>40 mattresses and other materials |
| Infirmary at: | |
| Maiella | 16 mattresses |
| Sanatoria at: | |
| Matera | One 40-bed unit. |
| Fossombrone | 30 mattresses |
| Maiella | 16 beds |

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*Tuberculosis: X-Ray Units.*

59. The following X-Ray units were installed by UNRRA technicians during July 1946: Civil Hospital, Bibbiena (Siena). Tuberculosis Sanatorium, Sondalo (Sondrio). Sanatorium Villa Guerrini (Pesaro). With the delivery of a further unit to the Civil Hospital at Minturno in August 1946, the assignment of the fourteen X-Ray units imported into Italy by UNRRA is now complete.

60. Photofluorographic surveys of 29 groups, totalling 43,143 people of the general Italian population, showed an average incidence of 2.5 % tuberculosis requiring observation or treatment. Photofluorographic surveys of camp population (displaced persons) showed an incidence of 2.7 % tuberculosis in 1,032 persons examined. A Government Committee, of which the UNRRA Tuberculosis Consultant is a member, has been formed to consider the tuberculosis problem and to make recommendations for combatting the disease on a national scale. Two National Schermography Centers have been established in Rome and Milan. The Committee has discussed measures to reorganize the T.B. Services and to form a central bureau of statistics on tuberculosis, together with a unified plan for the notification of cases. 14 X-ray units and films were supplied by UNRRA for assignment to hospitals and sanatoria to replace X-ray equipment destroyed by war.

61. The High Commissioner for Hygiene and Public Health has allocated the sum of 250 million lire (1946) for the Sondalo Sanatorium, which is expected to open in August with 1,500 beds for the accommodation of refugees and returning prisoners of war. The sanatorium of the Ospedali Riuniti at Monte Mario, Rome, will be finished and equipped in 1946. The High Commissioner contributed 60 million lire for this project with the provision that 350 beds be reserved for Consorzio patients.

*Malaria.*

62. Surveys were made and information obtained from the majority of the endemic malarial regions in Italy and Sicily. Malaria control operations have been carried out between February and August 1946 in Sicily and in Southern Italy, within an area extending from south of the Volturno River to north of the Tiber River, the Po Valley region, Provinces of Veneto and Udine, spraying of 325 million square feet of wall space. In these operations 50 tons of DDT, 8,000 gallons of emulsion concentrate and 216,000 gallons of kerosene have been utilized, while the equipment included 21 vehicles, 292 spray guns and 8 power sprayers. Preliminary reports show that work has been generally effective in reducing the incidence of malaria. Not only will many working days be saved, but an increased production of grain and other agricultural products should result by making malarious areas safer for the farm workers in whom the risk of developing malaria will be reduced.

*Disinfestation.*

63. Plans are being made for a nation-wide program of disinfestation of residential institutions such as hospitals, sanatoria, orphanages, and prisons, and for the disinfestation of inmates when necessary. This program will commence on 1 September 1946, upon completion of the malaria control work.

*Use of Lira Fund in Combatting Disease and in Supplying Hospitals.*

64. In the employment of the Lira Fund—i.e., the Fund recruited for relief and rehabilitation work in Italy from sales in local currency of UNRRA-imported goods (sales made by the Government in agreement with UNRRA)—the following sums have already been granted:—

| | |
|---|---|
| Transport for Medici Provinciali | 18,800,000 lire |
| Sardinia Malaria Eradication | 300,000,000 lire |
| Manufacture of Hospital linen from imported raw cotton | 457,000,000 lire |

In addition, plans are being prepared for anti-tuberculosis, anti-malaric and anti-trachoma campaigns, together with approximately ten other Public Health projects (see also para. 67). It is estimated provisionally that the total sums required to implement these plans will be in the neighbourhood of [illegible] million lire.

*UNRRA Fellowships.*

65. An Italian sanitary engineer has left for the United States to take a course in Public Health engineering, while 2 doctors and 2 technicians will go to the U.K. for a course in the technique of mass radiography. These will later form the nucleus of the staffs of the

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*UNRRA Fellowships.*

65. An Italian sanitary engineer has left for the United States to take a course in Public Health engineering, while 2 doctors and 2 technicians will go to the U.K. for a course in the technique of mass radiography. These will later form the nucleus of the staffs of the Photofluoroscopic Centers in Rome and Milan. 27 selected nurses have left for the U.S. on nursing fellowship courses.

66. In response to a request by the Italian Government, a penicillin manufacturing plant has been allocated to Italy and two Italian technicians, a biochemist and a chemical engineer, are in Canada for a course

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in the technique of large-scale penicillin manufacture. This penicillin plant when in full operation is expected to have a monthly output of 12 to 15,000 million units.

*Future Italian Health Situation.*

67. The Allied Armies up to end August 1945 had handed over to the Italian Government medical supplies of a value of over 200 million lire, of which the bulk had by end September 1945 been distributed. A further 1,000 million lire worth of medical supplies were handed over by the Allied Commission on behalf of the Allied Armies by the end of 1945, of which considerable supplies remain in Italian Government hands to supply the future needs of the hospitals. The activities of UNRRA Health Division have been outlined above and though many of these will, of necessity, cease at the end of 1946, much of the work already initiated will continue. This work will be carried on by the Italian Health authorities themselves. An important aspect of these activities will be the furtherance of those to be initiated by means of the Lira Fund. The UNRRA Mission in Italy, in conjunction with the office of the High Commission for Hygiene and Public Health, is planning to put forward to the Joint Committee of the Government and UNRRA a number of proposals for the allocation of funds for such diverse purposes as tuberculosis, trachoma, and malaria control programs, for the development of the Institute of Nutrition and for the improvement of conditions in teaching schools and nurses' training centers. If these plans are approved, the supervision and control of funds allotted will require the guidance of the authorities concerned for some years to come.

68. The Italian Health authorities have still a number of problems confronting them. Among these are the reconstitution of their Port Sanitary Services, the rebuilding of many hospitals, the provision of housing space to alleviate over-crowding and the ever-present danger of refugees who may enter the country clandestinely, bringing with them the danger of infectious diseases in overt or covert forms. Apart from these preoccupations, perhaps the difficulties of 1947 and successive years will be much less formidable than those which have already been overcome. It is felt that when the UNRRA Mission leaves the country, it will have provided a substantial legacy of varied contributions in the public health field of which the Italian authorities will make full and ample use.

69. The most important problem which faces the Italian Health authorities, is that of administration. In Italy there is a multiplicity of independent organizations dealing with such varying matters as the care of mothers and infants, malaria and tuberculosis control. Many of these organizations are only indirectly the concern of the High Commissioner for Hygiene and Public Health. The time has come when legislation should be passed to achieve two objects, firstly to create a Ministry of Health and secondly to place all independent organizations which have any bearing upon the health of the Italian people, under the firm supervision of that Ministry.

## PART TWO - WELFARE

### *GENERAL NATURE AND ORGANIZATION OF WELFARE SERVICES*

70. Like most of the older countries, Italy has a large number of unevenly-distributed charitable foundations. The range of assistance was extended in the XIX century by the development of communal assistance agencies for the distribution of non-institutional relief.

71. In the XIX century charity was placed within a *legal* framework. This affirmed the principle of assistance as a duty by the State and as a right of the individual. The State was concerned in the regulation of private charity only to give a legal status to voluntary charitable foundations and to supervise and co-ordinate their work (see para. 94). The laws regulating State Charity was organized either by the use of State funds or by funds raised compulsorily by towns, provinces or other public bodies.

72. By the law of 1890 a Congregazione di Carità (Congregation of Charity)—transformed afterwards into the Ente Comunale di Assistenza (ECA - Communal Assistance Body)—could be founded in every town (see para. 81).

73. The fundamental principle underlying "legal" charity is represented in the so-called "domicilio di soccorso" (residence for relief), which acknowledges the legal right of the poor to obtain relief and on the basis of which institutions are established. The Italian legislation provides for (a) medical assistance to the

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71. In the XIX century charity was placed within a *legal* framework. This affirmed the principle of assistance as a duty by the State and as a right of the individual. The State was concerned in the regulation of private charity only to give a legal status to voluntary charitable foundations and to supervise and co-ordinate their work (see para. 94). The laws regulating State intervention in Italy for co-ordinating private charity date back to 1862 and to 1890, i.e. for "opere pie" (pious foundations) and for "istituzioni di pubblica beneficenza" (public charity institutions), both of which are supported by private donations or endowments. In the new approach charitable assistance was regarded as a public question involving legal obligations and rights. Charity was organized either by the use of State funds or by funds raised compulsorily by towns, provinces or other public bodies.

72. By the law of 1890 a Congregazione di Carità (Congregation of Charity)—transformed afterwards into the Ente Comunale di Assistenza (ECA - Communal Assistance Body)—could be founded in every town (see para. 81).

73. The fundamental principle underlying "legal" charity is represented in the so-called "domicilio di soccorso" (residence for relief), which acknowledges the legal right of the poor to obtain relief and on the basis of which institutions are established. The Italian legislation provides for (a) medical assistance to the poor; (b) free medicines for the poor; (c) the upkeep of poor lunatics; (d) the upkeep of the poor, unable to work; (e) the upkeep of foundlings; (f) assistance to war-orphans; (g) assistance to disabled war-veterans; (h) assistance to, and care of, abandoned orphans and minors, the poor blind and deaf-mutes; (i) emergency hospitalization; (j) assistance to persons affected by

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venereal disease, malaria or pellagra; (k) assistance to persons affected by tuberculosis or rabies; (l) assistance to lepers.

74. Since 1900 "legal" charity has been supplemented in three different ways: (a) by the development of social insurance, including insurance for workmen's compensation (1904-17), maternity (1910), unemployment, invalidity and old age (1919), tuberculosis (1927), family allowances (1934), and health (1943), (b) by the development of special assistance plans for mothers and infants and for the young and (c) by the development of special plans for persons directly affected by the war.

75. Civil servants (State, province and city employees) are entitled to a pension after having been employed a certain number of years. Regulations or labor contracts in industry and commerce call for a "security fund" for many classes of quasi-governmental or private employees: the security fund is recruited from amounts contributed by the employer and the employee and the fund is used for paying a bonus to the employee upon retirement or in case of disability.

76. A predominant characteristic of the Italian welfare structure (see Diagram - Table 18) is the duplication of function and lack of co-ordination and integration and relation one to another of the many charitable foundations and the more newly developed services. This is so, even though many of the welfare decrees or statutes, particularly those creating the communal assistance agencies and the agency for mother and child welfare, speak of co-ordination and integration. Since the war this characteristic has been further emphasized by the creation of semi-autonomous national associations for services to special groups and by the sudden springing up of a number of voluntary committees, the intentions of which are a provision of service to persons in need.

77. A characteristic, which is a corollary of the first, is the lack of existence of any real standards or criteria for the operation of the different charitable foundations, and the lack of any clearly-defined welfare program for which the Government assumes responsibility. From the Statutes however, the provisions of which are often ambiguous, it might be concluded that, aside from the insurances, the Italian welfare program is one which provides for service or assistance to families in financial need, to children, and to groups of persons affected by the war (1). No special programs are defined for the aged, the blind, or the incapacitated, although independent institutions or agencies exist which offer some service to these groups.

78. Except for the responsibility of the Ministero dell'Assistenza Post-Bellica (MAPB - Ministry of Post-War Assistance) to grant assistance or service to certain groups affected by the war, no department of the central government is directly responsible for the administration of any welfare service. The responsibility for general supervision is to be exercized by the Ministry of the Interior and by the Prefects in the cases of social assistance to families and children and of institutional care. Actual administration of welfare services is in the hands of independent operating agencies, some of which are nation-wide bodies (enti parastatali), while others are only provincial or local in range and are incorporated to serve their own communities as well as the nation (enti locali autarchici). The supervision exercized is in practice limited to the provision of funds, and this seems to be done largely on a basis of arbitrary apportionment of funds rather than on a basis of review and analysis of function performed and service offered in relation to need.

79. The Pontificia Commissione di Assistenza (PCA - Pontifical Assistance Committee) has also, since the war, functioned in the field of general assistance by the establishment, in the most devastated sections of the country, of soup kitchens, and, in some instances, by the provision of clothing to persons in need.

80. Another characteristic of the Italian welfare structure, for the relief of hardship and to mitigate the worst effects of poverty, is the bringing together of public and private effort in the same agency. This is done partly to make use of such good will and funds as are available, and partly because of the legal principle that every agency dedicated to public use ought to be subject to public regulation. This intermingling of the governmental and the voluntary has made the Italian welfare picture extremely patchy, and has added to the confusion of function for different agencies and institutions.

*General Assistance.*

81. The general assistance agency in Italy is the Ente Comunale di Assistenza (ECA - Communal Assistance Body). Under its present name it dates back only to 1937. It is the successor to a body known from 1890 to 1937 as the Congregazione di Carità (Congregation

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insurance, including insurance for workmen's compensation (1904-17), maternity (1910), unemployment, invalidity and old age (1919), tuberculosis (1927), family allowances (1934), and health (1943), (b) by the development of special assistance plans for mothers and infants and for the young and (c) by the development of special plans for persons directly affected by the war.

75. Civil servants (State, province and city employees) are entitled to a pension after having been employed a certain number of years. Regulations or labor contracts in industry and commerce call for a "security fund" for many classes of quasi-governmental or private employees: the security fund is recruited from amounts contributed by the employer and the employee and the fund is used for paying a bonus to the employee upon retirement or in case of disability.

76. A predominant characteristic of the Italian welfare structure (see Diagram - Table 18) is the duplication of function and lack of co-ordination and integration and relation one to another of the many charitable foundations and the more newly developed services. This is so, even though many of the welfare decrees or statutes, particularly those creating the communal assistance agencies and the agency for mother and child welfare, speak of co-ordination and integration. Since the war this characteristic has been further emphasized by the creation of semi-autonomous national associations for services to special groups and by the sudden springing up of a number of voluntary committees, the intentions of which are a provision of service to persons in need.

77. A characteristic, which is a corollary of the first, is the lack of existence of any real standards or criteria for the operation of the different charitable foundations, and the lack of any clearly-defined welfare program for which the Government assumes responsibility. From the Statutes however, the provisions of which are often ambiguous, it might be concluded that, aside from the insurances, the Italian welfare program is one which provides for service or assistance to families in financial need, to children, and to groups of persons affected by the war (1). No special programs are defined for

(1) C.F. Policy Resolution (4) of the First Session of the UNRRA Council: "Within the framework of its total program and with the closest collaboration between the health, welfare and other appropriate organization units the Administration should make specific provision for welfare services for victims of war – in particular for children, expectant and nursing mothers, the aged and the disabled".

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*General Assistance.*

81. The general assistance agency in Italy is the Ente Comunale di Assistenza (ECA - Communal Assistance Body). Under its present name it dates back only to 1937. It is the successor to a body known from 1890 to 1937 as the Congregazione di Carità (Congregation of Charity) whose function was to be the legal representative of "the poor of the commune."

82. The function of ECA is defined by law as direct and temporary general assistance, including aid in money or in kind or in services ("Assistenza generica

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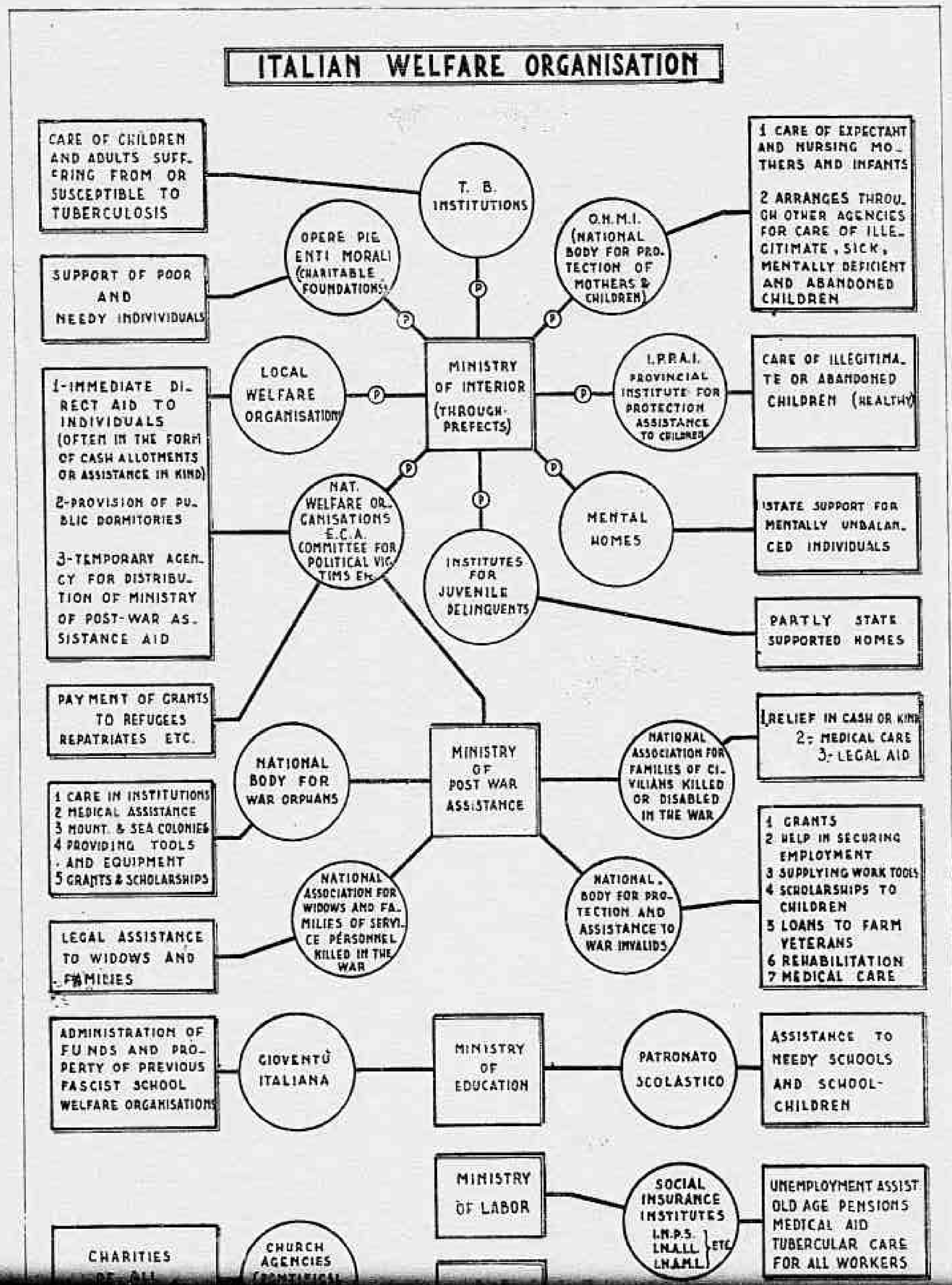
TABLE 18

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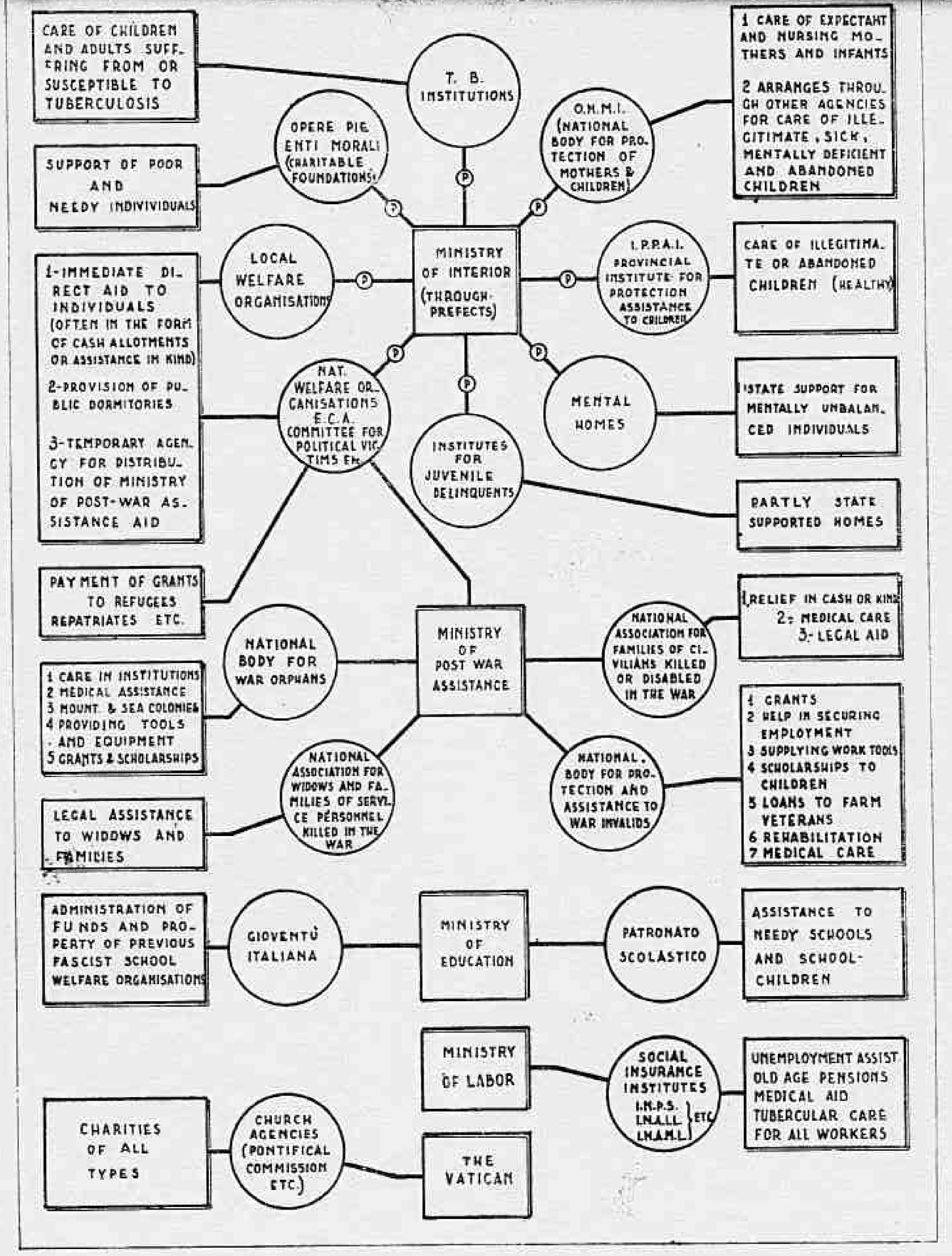


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immediata e temporanea, con ...orsi in denaro o in natura o con prestazione"). With the creation of ECA, provision was made for the first time in Italy for relief to be given in cash, so as to pay rent, redeem tools or household essentials from pawn, and meet similar monetary contingencies of urban life; and "prestazione" was vague enough to cover any and all services, from counseling to the making of loans or the arranging of regularly recurring help. Specifically, the functions of ECA mentioned by law are the provision of legal assistance, which consists of caring for the interests of the poor in the commune and of representing them in civil administrations and in court; assistance to the homeless poor by the furnishing of shelter and food relief; assistance to minors and aged sheltered in institutions by the payment of board to various institutions; emergency cash relief to certain classes of people who find themselves in temporary need. To qualify for the latter type of assistance, inability to work must be proven.

83. Under the law creating ECA, general assistance, as defined above, was not to be given by any agency other than the ECA. Any agency that presumed to do so was ipso facto to be fused with the ECA by the authority granted to the Prefettura to accomplish this.

84. The sources of ECA funds are the property and other resources which it took over from the Congregation of Charity; gifts and donations from private benefactors and public and quasi-public bodies such as Provinces, communes and organized employers and employees; and sums assigned to it each year from the revenue of a special 1 % tax on other revenues for the purpose of social welfare.

*Child Welfare.*

85. The Opera Nazionale per la Protezione della Maternità e dell'Infanzia (ONMI - National Body for the Protection of Mothers and Children) is the agency in Italy which has the broadest responsibilities for child welfare activities. This nation-wide agency was organized in 1925 under the impetus of the fascist policy of stimulating an increase in Italy's population.

86. At the national level, ONMI is run by a council and executive committee, appointed by the various Ministries concerned, which are responsible for determining general policy and implementing it by the allocation of a national grant. At the provincial level, the law provides that all agencies which work with mothers and children are to be brought together in a delegated its ...t to visit and inspect all incorporated bodies that care for mothers and children. Before any new agency of this kind is incorporated, the opinion of this committee is sought. Its functions are in general supervisory. Operating responsibility rests mainly with communal "committees of patrons," who, normally before the war, included a spokesman for the ECA, a district doctor, a parish priest, and other citizens approved by the provincial federation. In practice, since the war, the ONMI provincial organization has limited its functions largely to the supervision of its separate centers known individually as "Casa della Madre e del Bambino."

87. In addition to its general supervisory and fact finding responsibilities for the protection of children and mothers, ONMI is authorized to provide the following types of service:

(a) Consultation for pregnant women, including medical service in ONMI "consultori" or clinics.
(b) Meals for pregnant women and nursing mothers.
(c) Temporary care for mothers and children in maternity institutions.
(d) Assistance to children from pre-school to 18 years of age, including admission to pediatric clinics, provision of extra food and milk, day nurseries and nursery schools.
(e) Institutional care of abandoned, orphaned, illegitimate, neglected and impoverished children.

88. The functions of this agency, as specified by the law, are broad. In actual practice, however, since the war, the main emphasis in its activities has been on the physical care only of a relatively small number of pregnant women, nursing mothers and children up to six years of age, who can be served in the separate ONMI centers (Casa della Madre e del Bambino). Before the war, about 200 of the larger communes had established such centers, and many provinces provided ambulatoria (dispensaries) to enable the provincial committees to supplement the most needy of the poorer communes.

89. Statutory provision for the financing of the ONMI is by (a) endowments, legacies, gifts; (b) one-third of the ECA's income from investments entrusted to it for eleemosynary purposes; (c) dues levied on all member agencies; (d) part of the profit made by public pawnshops and by certain banks; (e) taxes on vacationists and bachelors; and (f) a national grant in aid stabilized at 108 million lire a year.

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90. The Patronato Scolastico dating from 1911, organized on a communal basis, is also responsible for some child welfare activities. The degree to which these responsibilities are discharged however, varies according to the volunteers comprising the local Patronato and the funds which they are able to raise. There is no

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determined Government contribution to the activities of the Patronato Scolastico. The services which by law, the Patronato is authorized to offer to needy school children are as follows: (a) distribution of hot or cold meals; (b) free distribution of text books, copy books, stationery and needlework materials according to the program for elementary schools; (c) free distribution of shoes and clothing; (d) supplying of eye-glasses, and (e) the provision of after-school programs for children.

91. Institutional care of children is provided by orphanages (orfanotrofi for children four to 18 years of age), and foundling homes (brefotrofi for children one to four years of age) which are under the control of the Prefettura, as well as by private religious and non-religious institutions.

92. Day nursery service for children is provided not only by ONMI, but by a large number of private and semi-private nurseries (asili), as well as by asili attached to the public school system.

93. The Pontifical Assistance Commission since the war has also made provision for day and institutional care of children.

*Charitable Foundations.*

91. Before the war, Italy had well over 20,000 charitable foundations (opere pie) with property worth well over 2,000 million lire. Ever since 1862 these charitable foundations have been incorporated by the State as "juridical persons." The State, through the Minister of the Interior and the Prefect has the right to inspect them, audit their accounts, and generally to reorganize them, although in practice it has seldom done so and has left them to be managed as they pleased. The coordination of these foundations by Governmental agencies has been envisaged by the law for over 50 years, but has never actually taken place. The number of persons assisted by Italian charitable foundations and the State contribution in 1939 are shown in Table 19.

TABLE 19

Italian Charitable Foundations in 1939

| Type of Foundation | No. of persons assisted | Cost of Govt. Assistance Thousand Lire |
|---|---|---|
| [illegible] | 1,112,000 | 60,000 |

Although the Government provides a proportion of the funds for all the above charities, in the case of mental hospitals the necessary expenses are entirely found by the Government.

95. Total expenditure by the State (Ministero degli Interni) for public charity and relief since 1913 has been as follows (in million lire):

| Financial Year | Million Lire | Million Lire, 1938 value |
|---|---|---|
| 1913-14 | 20 | — |
| 1916-17 | 15 | — |
| 1921-22 | 239 | 278 |
| 1926-27 | 170 | 188 |
| 1931-32 | 107 | 242 |
| 1936-37 | 259 | 327 |
| 1941-42 | 668 | 281 |
| 1946-47 | 3,757 | 194 |

96. The assistance given by the Pontifical Relief Committee, from January 1945 to June 1946 was as follows:—

| | | |
|---|---|---|
| Persons assisted . . . . . | | 1,929,765 |
| Food distributed . . . . . | (qls.) | 528,013 |
| Clothing . . . . . | (garments) | 120,393 |

*Services for Special Groups.*

97. Most of the groups for whom special service provisions have been made are those whose need can be traced directly to war causes, and the greater part of the assistance have been given since the end of the war.

98. Extensive legal provision for persons affected by the war was made by the decree of 31 July 1945 establishing the Ministry of Post-War Assistance. The primary purpose of this Ministry is to "provide, promote, direct and coordinate" the moral and material assistance of partisans, returning soldiers, prisoners of war, war internees and their families, refugees (internally displaced Italians), and other civilian war victims and repatriated Italians. The types of assistance offered to these groups are the provision of care in communal shelters or camps pending return to their own homes, the provision of a determined cash grant, and the provision of clothing.

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| Type of Foundation | No. of persons assisted | Cost of Govt. Assistance Thousand Lire |
|---|---|---|
| Eleemosynary Foundations . | 1,113,000 | 60,000 |
| Day Nurseries . . . | 376,000 | 45,000 |
| Orphanages . . . . | 83,000 | 106,000 |
| Hospitals . . . . | 1,230,000 | 665,000 |
| Beggar-homes . . . | 125,000 | 87,000 |
| Old Peoples' Homes . . | 35,000 | 52,000 |
| Mental Hospitals . . | 87,500 | 313,000 |

been as follows (in million lire):

| Financial Year | Million Lire | Million Lire, 1938 value |
|---|---|---|
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99. Other national associations offering service to persons affected by the war are (a) the Comitato Nazionale per Vittime Politiche (National Committee for Political Victims); (b) the Associazione Nazionale per le Famiglie dei Civili Caduti e Invalidi per Cause di Guerra (National Association for Families of Civilians

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Killed or Disabled as a Result of the War); (c) the Ente Nazionale per la Protezione e l'Assistenza agli Invalidi di Guerra (National Body for Protection of and Assistance to Invalids of the War); (d) the Associazione Nazionale per Vedove di Guerra e le Famiglie dei Caduti (National Association for Widows and Families of those who Died in the War); (e) the Associazione Nazionale per Orfani di Guerra (National Body for War Orphans), and (f) the Pontificia Commissione di Assistenza.

100. The National Organization for Protection and Assistance to War Invalids, and the National Association for Families of Persons Killed in the War, work under the general direction of the Ministry of Post-War Assistance.

101. The Organization for Protection and Assistance to War Invalids is authorized to offer the following types of assistance to invalided war veterans: (a) grants (from a minimum of 500 lire to a maximum of 15,000 lire according to the individual case) to needy invalid veterans in exceptional instances; (b) help in securing employment; (c) supplying work tools; (d) placement of sons of invalid veterans in institutions, and granting of scholarships (about 300,000 lire per annum); (e) loans to those veteran farm laborers who, because of their invalidity, are unable to work; (f) re-education and rehabilitation of invalid veterans in 20 institutions; (g) distribution of drugs and orthopaedic appliances; and (h) hospital care. The total number of persons assisted by this organization before the war was 150,000. In 1945, the number increased to 260,000. Plans for assistance during 1946 require 200 million lire. One hundred million lire already have been allocated by the Ministry of Post-War Assistance, which is the normal source of funds.

102. The National Association for Families of Persons Killed in the War is authorized to grant legal and financial assistance to widows and families of those who died in the war. Economic assistance includes grants (from a minimum of 300 to a maximum of 1,000 lire each) and care for orphans in institutions. The Association owns two rest homes where widows in need, because of economic and health conditions, receive care. The total number of persons assisted at the present time is about 400,000, which is approximately the same as the number assisted before the war. Funds are provided through receipts from dues payable to the Association (two lire per member a year) and through [illegible] from the Ministry of Post-War Assistance.

(d) distribution of work tools and equipment and (e) grants and scholarships. The Ministry of Post-War Assistance is the Body's source of funds. For the year 1946, 105 million lire were allocated for its work.

104. The National Committee for Political Victims was organized after the war under the presidency of the Mayor of Rome. The Committee is composed of representatives of six political parties and of a representative of the Ministry of Treasury. Persons cared for by this Committee are those who have been persecuted for political reasons, and their families. The types of assistance the Committee is authorized to provide are: (a) payment of monthly allowances (1,000 lire monthly) to needy families of those who have either been shot by the Germans or who have been killed in guerilla action; (b) institutional care of children whose fathers were killed or deported by the Germans; (c) free medical and legal assistance to political victims and their families; and (d) the distribution of food and clothing. Three million lire are provided monthly by the Ministry of the Treasury for the work of this Committee. Other funds are derived from benefits and private contributions.

105. The Association of families of civilians killed, maimed and disabled by the war, was also organized in Rome after the war. It is authorized to provide relief in cash or kind, medical care and institutional care, assistance in filing claims for pensions, compensation, etc., for war-disabled civilians and dependents of war-disabled civilians. Funds for the Association's work were to be made available by the Ministry of the Interior, but up to 31 May 1946, no appropriation had been made. Some funds have been derived from private contributions.

### *Effect of the War on Italian Welfare Services.*

106. Italian welfare services suffered an almost complete collapse as a result of the war. This occurred at a time when demands upon them were greater than ever. The loss of material resources through requisitioning, destruction and looting was great and the performance of their services was further impeded by financial difficulties. In addition, those institutions or agencies created by or associated with fascist ideology were shattered, and gave little promise of being easily or quickly reorganized or imbued with a new sense of purpose or a new set of values.

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103. Before the war, the National Body for War Orphans assisted about 45,000 persons. On 31 May 1946, the estimated number of orphans assisted was 200,000. The types of assistance offered are: (a) care in institutions, (b) medical assistance, (c) mountain and sea-side colonies which have not as yet been re-established,

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107. The high prices of essential articles and the rising service costs, together with restrictions on patrimonial income, depletion of reserves and the loss of material resources, almost threatened some of the institutions with a complete suspension of their activities and development. The general shortage of foodstuffs not only created serious situations in residential institutions and in agencies which normally conducted a cooked

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meal program, but also had an effect on the nature of the general assistance program. The facts of short supply and inflation led to a popular distrust of money payments and some demands for the substitution of assistance in kind.

108. With a rising cost of living, destruction of homes, loss of family members and personal effects, unemployment and shortages which became of long duration rather than temporary, a larger segment than usual of the Italian people exhausted any reserves of savings upon which to fall back. Large numbers of persons who did not normally have to ask assistance became dependent upon it, particularly for food.

109. In these disturbed circumstances, communal feeding became an important means of relief. Under the Allied Military Government, cash relief continued to be paid by the ECA, and efforts were made to increase payments. In addition, soup kitchens for the general public were organized, and foods were made available to schools and institutions.

110. In addition to the economic disturbance with consequences for welfare action, there were considerable disruption of personnel and of organic relationships. The specialized service for youth was a branch of the fascist party; and the maternal and infant welfare service was closely associated with fascism, especially at the national and provincial levels. These services were especially affected by the dissolution of the fascist party. General assistance, being less centralized, survived more easily its divorce from the fascist party and the fascist syndicates.

111. Immediately after the war, there was considerable turnover of welfare agency personnel, the first effect of which was to create an almost total paralysis of operations and planning. Directing staff who had been associated with fascism left, and many of the new personnel had little, if any, knowledge of the operation of the services. The fact that few of the agencies had had a trained operating staff able to continue work despite the change in directing personnel, added to the confused picture.

112. Other tendencies which began to show themselves and which were perhaps a natural reaction to the centralized control of fascism, were a distrust of any direction from Rome, and the emergence of separate independent groups and institutions for the offering of welfare services. During fascism, voluntary service efforts, which were not directly connected with fascism, [illegible] and after the war there was a

113. This tendency to create new institutions and committees, prompted by a sincere interest in offering services, but too seldom guided by an objective analysis of need persisted for two years. The creation of the Ministry of Post-War Assistance, and of the many national committees attached to it, stemmed to some extent, from this general tendency. It is only in 1946 that a desire is seen to coordinate some of the related services, and to plan services in relation to committee needs.

## *UNRRA's ROLE IN RELATION TO ITALIAN WELFARE SERVICES*

114. During 1945, UNRRA, as a result of a special Council resolution, was authorized to undertake in Italy a limited program of care and welfare services to nursing and expectant mothers and children. This group was selected as the recipients of special service on the basis of surveys made earlier, which showed that of all the population, this group suffered the greatest as a result of the war. The supplies which UNRRA made available to the Italian Government were largely foodstuffs, and as a consequence, the welfare program during 1945, was commonly referred to as a "supplementary feeding program."

115. To assure a mutually acceptable distribution of UNRRA supplies, some basic guiding operating principles were agreed to by UNRRA and the Italian Government. These principles were:

(a) the feeding program was to be *supplementary* to and not in substitution for existing supplies;
(b) the program was to concern itself with needy children and nursing and expectant mothers, and the supplies were to be distributed free;
(c) the operation of the program was to be the responsibility of the Government, with UNRRA limiting itself to the provision of supplies and consultant services;
(d) decisions on the criteria of selecting recipients and methods of distribution were to be joint UNRRA-Government decisions;
(e) relief was to be distributed on an equal basis of eligibility and free of discrimination on account of race, religion or political belief;
(f) use was to be made of existing agencies and institutions and no attempt was to be made to create a new structure.

116. The lack of any Ministry or other central

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loss of family members and personal effects, unemployment and shortages which became of long duration rather than temporary, a larger segment than usual of the Italian people exhausted any reserves of savings upon which to fall back. Large numbers of persons who did not normally have to ask assistance became dependent upon it, particularly for food.

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### *UNRRA's ROLE IN RELATION TO ITALIAN WELFARE SERVICES*

114. During 1945, UNRRA, as a result of a special Council resolution, was authorized to undertake in Italy a limited program of care and welfare services to nursing and expectant mothers and children. This group was selected as the recipients of special service on the basis of surveys made earlier, which showed that of all the population, this group suffered the greatest as a result of the war. The supplies which UNRRA made available to the Italian Government were largely foodstuffs, and as a consequence, the welfare program during 1945, was commonly referred to as a "supplementary feeding program."

115. To assure a mutually acceptable distribution of UNRRA supplies, some basic guiding operating principles were agreed to by UNRRA and the Italian Government. These principles were:

(a) the feeding program was to be *supplementary* to and not in substitution for existing supplies;
(b) the program was to concern itself with needy children and nursing and expectant mothers, and the supplies were to be distributed free;
(c) the operation of the program was to be the responsibility of the Government, with UNRRA limiting itself to the provision of supplies and consultant services;
(d) decisions on the criteria of selecting recipients and methods of distribution were to be joint UNRRA-Government decisions;
(e) relief was to be distributed on an equal basis of eligibility and free of discrimination on account of race, religion or political belief;
(f) use was to be made of existing agencies and institutions and no attempt was to be made to create a new structure.

116. The lack of any Ministry or other central authority concerned with overall welfare problems, and having responsibility for welfare planning, created some early difficulties in getting the UNRRA program started. The appointment by the Government, however, of the Italian Delegation for Relations with UNRRA, as the official liaison body through which UNRRA was to

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work, effected a partial solution to this problem. By necessity, the Italian Delegation office extended its functions from that of a purely policy-making and liaison body to one responsible for supervising and directing the policy's execution.

117. The question of a local organization for program operations presented, in the early period, even greater difficulties. After preliminary surveys of area needs were made by UNRRA welfare staff, it became apparent that some local coordinating group was necessary if the Government and UNRRA were to be assured that the welfare needs of women and children were to be met on a uniform basis.

118. The Government and UNRRA had accepted the principle of utilizing existing agencies, and at one period it was envisaged that perhaps ONMI, the national child care organization might be used. During the period of Allied advance however, the local ONMI committees had been left largely to their own desires, ONMI finances had been disrupted, and the organization was far from ready to assume general supervising responsibilities for a new program. Other organizations which could be used were the private and religious agencies, the latter very numerous, ECA, the charitable foundations and the Patronati Scolastici. All were carrying on as best they could, depending on local conditions and financial resources, but all were handicapped physically and financially as a result of the war, and no one body could assume overall direction of the program.

119. To meet this situation, the Government and UNRRA decided on the organization of Provincial Committees with a full-time paid executive secretary, to function as the local unit responsible for program operation. These committees work under the chairmanship of the Prefect and are composed of the provincial doctor, the provincial school superintendent, the provincial representative of the Sezione Provinciale Alimentazione (SEPRAL - Provincial Food Office), the rationing agency, the provincial representative of the Ministry of Post-War Assistance, the Bishop of the Diocese, and the Director of the Provincial Federation of ONMI. These committees have functioned largely as coordinating and supervisory bodies, depending upon individual agencies and institutions within the province to make the selection of individuals to be assisted, and actually to distribute the UNRRA supplies. The Provincial Committees which are responsible to the Italian Delegation [illegible] general policies and instructions to the structure in the country. The use of committees was not new to Italian practice, and under existing laws, the Prefect and Vice-Prefect have responsibilities for coordinating and directing welfare services within the province. Without staff, this responsibility had seldom been discharged, and the formal organization of provincial committees with a full-time secretary, provided the means by which a beginning could be made in the direction of analyzing and planning for community needs.

121. From Rome, the Italian Delegation's office allocated food for Provincial Committees, and these committees selected the communes and agencies to distribute the supplies. UNRRA welfare staff was assigned to regions throughout Italy to function in an advisory and consultant capacity to Provincial Committees. Food distribution began in April 1945 in the cities of Naples and Rome and in five provinces in the so-called "devastated area"—Frosinone, Latinia, Aquila, Chieti and Pescara.

122. By June 1945, 23 Provincial Committees were functioning, and by the end of September 1945 food was being distributed in 48 provinces. In December 1945 additional provinces were transferred to the jurisdiction of the Italian Government and distribution began in these provinces during January 1946. Tables 20 and 21 show the number of children and mothers fed during the three months March to May 1946 and give an indication of the places where and the scale on which this assistance is now operating.

TABLE 20

Number of children and Expectant and Nursing Mothers Assisted by UNRRA, under Supplementary Feeding Schemes, for the three months: March to May 1946
(Classified by Regions)

| Regions | Cooked Meals | Raw products distribution | Total |
|---|---|---|---|
| Sardinia | 44,500 | 58,232 | 102,732 |
| Sicily | 59,831 | 93,798 | 153,629 |
| Calabria | 44,232 | 27,459 | 71,691 |
| Lucania | 13,222 | 10,543 | 23,765 |
| Puglie | 94,469 | 37,943 | 132,412 |
| Campania | 163,891 | 118,042 | 281,933 |
| Abruzzi and Molise | 24,556 | 62,774 | 87,330 |
| Umbria | 21,125 | 8,235 | 29,360 |
| Marche | 15,799 | 37,278 | 53,077 |
| Lazio | 130,812 | 105,404 | 236,216 |
| Tuscany | 92,667 | 40,701 | 133,368 |
| Emilia | 35,829 | 130,641 | 166,470 |

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operations presented, in the early period, even greater difficulties. After preliminary surveys of area needs were made by UNRRA welfare staff, it became apparent that some local coordinating group was necessary if the Government and UNRRA were to be assured that the welfare needs of women and children were to be met on a uniform basis.

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119. To meet this situation, the Government and UNRRA decided on the organization of Provincial Committees with a full-time paid executive secretary, to function as the local unit responsible for program operation. These committees work under the chairmanship of the Prefect and are composed of the provincial doctor, the provincial school superintendent, the provincial representative of the Sezione Provinciale Alimentazione (SEPRAL - Provincial Food Office), the rationing agency, the provincial representative of the Ministry of Post-War Assistance, the Bishop of the Diocese, and the Director of the Provincial Federation of ONMI. These committees have functioned largely as coordinating and supervisory bodies, depending upon individual agencies and institutions within the province to make the selection of individuals to be assisted, and actually to distribute the UNRRA supplies. The Provincial Committees which are responsible to the Italian Delegation issue general policies and instructions to the individual operating agencies.

120. This arrangement for the use of provincial committees and the regularly established agencies was consistent with the generally agreed-upon principle to utilize established agencies and not to create any new provincial committees with a full-time secretary, provided the means by which a beginning could be made in the direction of analyzing and planning for community needs.

121. From Rome, the Italian Delegation's office allocated food for Provincial Committees, and these committees selected the communes and agencies to distribute the supplies. UNRRA welfare staff was assigned to regions throughout Italy to function in an advisory and consultant capacity to Provincial Committees. Food distribution began in April 1945 in the cities of Naples and Rome and in five provinces in the so-called "devastated area"—Frosinone, Latinia, Aquila, Chieti and Pescara.

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|---|---|---|---|
| Sardinia | 44,500 | 58,232 | 102,732 |
| Sicily | 59,831 | 93,798 | 153,629 |
| Calabria | 44,232 | 27,459 | 71,691 |
| Lucania | 13,222 | 10,543 | 23,765 |
| Puglie | 94,469 | 37,943 | 132,412 |
| Campania | 163,891 | 118,042 | 281,933 |
| Abruzzi and Molise | 24,558 | 62,774 | 87,330 |
| Umbria | 21,125 | 8,235 | 29,360 |
| Marche | 15,799 | 37,278 | 53,077 |
| Lazio | 130,842 | 105,404 | 236,246 |
| Tuscany | 92,667 | 40,701 | 133,368 |
| Emilia | 35,829 | 130,641 | 166,470 |
| Liguria | 28,865 | 14,018 | 42,883 |
| Piedmont | 54,283 | 19,373 | 73,656 |
| Lombardy | 103,714 | 53,014 | 156,728 |
| Veneto | 84,039 | 50,895 | 134,934 |
| Trentino | 9,238 | 5,433 | 14,671 |
| | 1,021,102 | 873,783 | 1,894,885 |

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TABLE 21

UNRRA Supplementary Feeding of Mothers and Children: March to May 1946.

| CATEGORY | March | | April | | May | |
|---|---|---|---|---|---|---|
| | Cooked Meals | Raw Products distribution | Cooked Meals | Raw Products distribution | Cooked Meals | Raw Products distribution |
| | No. | No. | No. | No. | No. | No. |
| *Children* | | | | | | |
| 6–12 months . . . | 10,522 | 71,419 | 11,367 | 76,791 | 10,338 | 76,962 |
| 1–3 years . . . | 75,004 | 226,556 | 73,394 | 241,709 | 75,449 | 238,017 |
| 4–8 " . . . | 416,970 | 218,002 | 445,192 | 205,649 | 476,085 | 189,022 |
| 9–15 " . . . | 423,957 | 256,107 | 455,149 | 244,305 | 475,188 | 220,304 |
| *Expectant mothers* . . | 17,878 | 61,436 | 19,582 | 72,603 | 18,930 | 59,689 |
| *Nursing mothers* . . . | 17,946 | 57,203 | 19,817 | 47,851 | 20,568 | 57,093 |
| Total. . . . | 962,277 | 890,723 | 1,024,501 | 888,908 | 1,076,528 | 841,717 |

123. No final decision has yet been reached on whether the UNRRA Welfare Feeding Program will continue as such after 30 September 1946. The UNRRA Mission in Italy favor:

(a) the desirability in existing circumstances of continuing some form of welfare assistance in kind after 30 September 1946;

(b) the integration of the requirements for the assistance rations in para. 122 into the national rationing system under the control of the High Commissioner for Food: and

(c) the continued use of the Italian Delegation's Provincial Welfare Committees as "certifying" authorities, and distribution agencies for the food after they have received the requisite quantities through the Provincial Food Office.

124. Discussions are taking place between the UNRRA Mission, the High Commissioner for Food's Office and the Italian Delegation for Relations with UNRRA on point (b) in para. 123. It is hoped that all persons in need, who cannot afford to purchase non-rationed foods on the open market, will be assured of an amount of food, of necessity determined by supplies, which will be in addition to their basic ration. It is envisaged that the distribution of these additional foods will be done by established welfare agencies or institutions as a part of their overall programs for assistance to persons in need. All special classes of persons and those receiving [illegible] amounts of food in addition to the basic ration

125. UNRRA has already distributed a large amount of used clothing to needy people in Italy. Table 22 shows the distribution which had taken place up to 15 August 1946. Up to this date this distribution has been only to categories of persons assisted by the Ministry of Post-War Assistance, such as refugees, returning prisoners of war and bombed out persons. Future distribution plans, however, call for a distribution of materials made from the raw wool and cotton imported by UNRRA to all persons in need who are being assisted by established welfare agencies and institutions.

126. UNRRA has also helped the Ministry of Post-War Assistance in the execution of its program by providing material assistance and advice and consultation on program planning. UNRRA's main objective in its work with the Ministry of Post-War Assistance is to see that all persons now living in Italian displaced persons camps who can possibly be resettled in their home communities, leave the camps by the end of this year. The home repair program of CASAS will help in the achievement of this objective (see para. 152).

*UNRRA SUMMER COLONIES (CAMPS) IN 1946*

127. Summer colonies have been organized by UNRRA in collaboration with the following Italian Agencies: Italian Delegation for Relations with UNRRA; Ministry of Education; Ministry of Post-War Assistance; Italian Youth Commissariats (Commissariati per la Gioventù Italiana); The Pontifical Commission (C.P.A. - Ponti-

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| CATEGORY | Cooked Meals | Raw Products distribution | Cooked Meals | Raw Products distribution | Cooked Meals | Raw Products distribution |
|---|---|---|---|---|---|---|
| *Children* | No. | No. | No. | No. | No. | No. |
| 6–12 months . . . | 10,522 | 71,419 | 11,367 | 76,791 | 10,338 | 76,962 |
| 1–3 years . . . | 75,004 | 226,556 | 73,394 | 241,709 | 75,419 | 238,017 |
| 4–8 " . . . | 116,970 | 218,002 | 115,192 | 205,849 | 176,085 | 189,922 |
| 9–15 " . . . | 123,957 | 256,107 | 155,149 | 244,305 | 175,188 | 220,901 |
| *Expectant mothers* . . | 17,878 | 61,436 | 19,582 | 72,693 | 18,900 | 59,689 |
| *Nursing mothers* . . . | 17,946 | 57,203 | 19,817 | 47,851 | 20,568 | 57,093 |
| Total. . . | 962,277 | 890,723 | 1,024,501 | 888,908 | 1,076,528 | 841,717 |

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(c) the continued use of the Italian Delegation's Provincial Welfare Committees as "certifying" authorities, and distribution agencies for the food after they have received the requisite quantities through the Provincial Food Office.

124. Discussions are taking place between the UNRRA Mission, the High Commissioner for Food's Office and the Italian Delegation for Relations with UNRRA on point (b) in para. 123. It is hoped that all persons in need, who cannot afford to purchase non-rationed foods on the open market, will be assured of an amount of food, of necessity determined by supplies, which will be in addition to their basic ration. It is envisaged that the distribution of these additional foods will be done by established welfare agencies or institutions as a part of their overall programs for assistance to persons in need. All special classes of persons and those receiving supplements of food in addition to the basic ration scale are under review. The extent of supplies is being examined, to determine the size of the supplements. Tables 23 to 25 show the scale of rationed commodities issued to various categories of the population as at 15 July 1946. The UNRRA feeding program is over and above these food issues.

125. UNRRA has already distributed a large amount of used clothing to needy people in Italy. Table 22 shows the distribution which had taken place up to 15 August 1946. Up to this date this distribution has been only to categories of persons assisted by the Ministry of Post-War Assistance, such as refugees, returning prisoners of war and bombed out persons. Future distribution plans, however, call for a distribution of materials made from the raw wool and cotton imported by UNRRA to all persons in need who are being assisted by established welfare agencies and institutions.

126. UNRRA has also helped the Ministry of Post-War Assistance in the execution of its program by providing material assistance and advice and consultation on program planning. UNRRA's main objective in its work with the Ministry of Post-War Assistance is to see that all persons now living in Italian displaced persons camps who can possibly be resettled in their home communities, leave the camps by the end of this year. The home repair program of CASAS will help in the achievement of this objective (see para. 152).

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agencies, and for interpreting policy with respect to summer colonies which had been agreed upon by UNRRA and the Italian Government. This made it possible, province by province, to procure buildings and equipment for the colonies, the personnel for looking after the children, and other forms of cooperation in the field.

TABLE 22

## Distribution of Clothing by UNRRA

1945–46 (Position as at 15 August 1946)

| Region | Garments | Shoes (Pairs) | Bedding |
|---|---|---|---|
| | No. | | No. |
| Sardinia | 128,414 | 18,692 | — |
| Sicily | 325,350 | 63,800 | — |
| Calabria | 17,759 | 5,800 | 350 |
| Lucania | 11,802 | 3,970 | 420 |
| Puglie | 102,019 | 16,550 | 700 |
| Campania | 308,957 | 58,450 | 1,700 |
| Abruzzi and Molise | 229,773 | 51,630 | 900 |
| Umbria | 11,839 | 10,600 | 750 |
| Marche | 83,513 | 17,490 | — |
| Lazio | 661,820 | 114,901 | 2,010 |
| Tuscany | 359,319 | 93,305 | 9,705 |
| Emilia | 386,232 | 103,725 | 1,700 |
| Liguria | 70,800 | 21,660 | 1,200 |
| Piedmont | 225,330 | 32,000 | 1,400 |
| Lombardy | 381,090 | 53,060 | 1,400 |
| Veneto | 295,598 | 38,045 | 1,400 |
| Trentino | 33,100 | 6,000 | — |
| Venezia Giulia | 1,898 | 1,184 | — |
| Summer Colonies | — | — | 58,426 |
| Italian Camps | 127,492 | 40,886 | — |
| Additional distribution | 140,273 | 37,400 | 3,486 |
| | 3,935,378 | 792,148 | 85,547 |
| Distribution to non-Italians | 217,068 | 11,287 | 2,918 |
| TOTAL | 4,152,446 | 833,435 | 88,465 |

COST OF CLOTHING PROGRAM

| | | |
|---|---|---|
| Clothing | Lit. | 22,751,667 |
| Shoes | " | 24,694,388 |

128. UNRRA has supplied food, bed material, cooking utensils, mess utensils, tents, etc. The financial backing of this assistance, which amounts to 90,908,655 lire, has been supplied from the Lira Fund (money provided by the sale of goods supplied free to Italy by UNRRA).

129. The number of children assisted by UNRRA Summer colonies is 782,000 of whom 142,000 are in permanent colonies and 640,000 in daily colonies. The average stay of children in UNRRA colonies is 2 months: July and August. The colonies are situated in specially healthful districts in the mountains, at the seaside, in national parks, etc.

130. Most of the assisted children (from 4 to 15 years of age) are those who usually receive UNRRA assistance all through the year. They have been selected by the agencies operating the colonies according to their poverty and health need, and following general selective policies agreed upon by UNRRA and the Italian Delegation, and interpreted by Provincial UNRRA Committees.

131. Food rations are those usually supplied by UNRRA feeding, plus considerable food supplements to improve to the utmost the health conditions of the children during their stay in the colonies. Table 26 shows the relative food value of the rations supplied.

132. In April 1945 when the UNRRA program started, the most immediate objective was to get food out quickly to those in need. As early as this date, however, certain long-time objectives were kept in mind, such as (a) the need to resuscitate and improve the quality of child care service offered, (b) to stimulate plans for meeting the problems of juvenile delinquency that had arisen since the war, (c) to rehabilitate those agencies which gave promise of continuing service, (d) to attempt to bring some order out of the chaos of the confused uncoordinated welfare picture so that overlapping and duplication of effort and expense could be avoided, and (e) to attempt to get diverse groups within a community to work together toward a common goal in handling the needs of people.

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ment for the clothing, the personnel for looking after the children, and other forms of cooperation in the field.

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## Distribution of Clothing by UNRRA

1945-46 (Position as at 15 August 1946)

| Region | Garments | Shoes (Pairs) | Bedding |
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| Marche | 83,513 | 17,490 | — |
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| Tuscany | 359,319 | 93,305 | 9,705 |
| Emilia | 386,282 | 103,725 | 1,700 |
| Liguria | 70,800 | 21,660 | 1,200 |
| Piedmont | 225,330 | 32,000 | 1,400 |
| Lombardy | 381,090 | 53,060 | 1,400 |
| Veneto | 295,598 | 38,015 | 1,100 |
| Trentino | 33,100 | 6,000 | — |
| Venezia Giulia | 1,898 | 1,184 | — |
| Summer Colonies | — | — | 58,426 |
| Italian Camps | 127,492 | 40,886 | — |
| Additional distribution | 140,278 | 37,100 | 3,186 |
| | 3,935,378 | 792,148 | 85,547 |
| Distribution to non-Italians | 217,068 | 41,287 | 2,918 |
| TOTAL | 4,152,446 | 833,435 | 88,465 |

COST OF CLOTHING PROGRAM

| | | |
|---|---|---|
| Clothing | Lit. | 22,751,667 |
| Shoes | " | 24,894,988 |
| New production | " | 13,441,679 |
| Salvage | " | 5,742,117 |
| | Lit. | 66,830,451 |

The total number of persons to whom clothing has been distributed is 1,133,348.

provided by the sale of goods supplied free to Italy by UNRRA).

129. The number of children assisted by UNRRA Summer colonies is 782,000 of whom 142,000 are in permanent colonies and 640,000 in daily colonies. The average stay of children in UNRRA colonies is 2 months: July and August. The colonies are situated in specially healthful districts in the mountains, at the seaside, in national parks, etc.

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TABLE 23

## Ration Scale of Italian Government for Grain Products as in July 1946

| CATEGORIES | No. of ration cards | Daily rations | |
|---|---|---|---|
| | | Bread | Pasta |
| | | grs | grs |
| 1. NORMAL CONSUMERS (Non-Producers) Bread (*) | 35,271,684 | 200 (**) | 66.6 |
| 1. NORMAL CONSUMERS (Non-Producers) Pasta (**) | 35,417,221 | | |
| 2. SUPPLEMENTARY RATIONS (Consumers entitled to supplementary rations already included in para 1): | | | |
| Agricultural/Heavy workers | 3,181,585 | 100 | 20 |
| Very heavy Workers | 233,860 | 200 | 20 |
| Miners/Forestry Workers | 195,539 | 400 | 20 |
| Armed Forces Workers | 378,210 | 250 | 50 |
| 3. SPECIAL RATIONS (Consumers entitled to special rations not included in para 1): | | | |
| Hospital Patients and Staffs, Refugees, Returning P. O. W. | 527,733 | 350 | 85 |
| Public Security Agents, Mine Clearance Squads, Guardie Finanza e Forestali, Firemen, Municipal Police Guards, and Others | 150,056 | 425 | 75 |
| Civilian Prisoners in jails | 99,966 | 400 | 70 |
| Juvenile Delinquents in jails | 6,294 | 450 | 70 |
| Civilian Prisoners in Reformatories | 4,201 | 350 | 85 |
| Merchant Ships' Crews | 25,368 | 340 | (flour) |
| Consuls & their families, Foreign Correspondents | 2,955 | 500 | 175 |
| Feeding Points for Refugees at Railway Stations | 34,982 | 150 | 45 |
| 4. OTHER SUPPLEMENTS AND INDUSTRIAL MESSES (Consumers entitled to these supplements are already included in para 1, except Allied Nationals): | | | |
| Allied Nationals | 22,848 | 100 | — |
| Communal Feeding (Welfare) | 262,222 | — | 53 |
| Industrial Messes, Vatican Kitchens | 1,376,133 | — | 53 |
| School Feeding | 597,496 | 100 | 50 |
| Pregnant women at home | 133,870 | — | 150 |
| T. B. cases at home | 149,046 | 150 | 50 |
| 5. OTHER CATEGORIES (for which only the total *daily* requirement is known: figures in m. tons and in wheat equivalent): | | Metric Tons | |
| Mill workers, Bakers and Families | | 8.70 | |
| | | 21.90 | |

(*) Bread ration for Rome, Milan, Turin, Genoa, Naples, Palermo, Trieste, Venice, Florence, Bologna, Leghorn, Messina, Catania, Bari, Trapani, Reggio Calabria, Taranto, Brindisi, Ancona, Pescara, Cagliari, Sassari, Trento, Bolzano, Udine, Gorizia, Aosta, Perugia, Terni, Pola, Fiume, Zara, Spalato, Cattaro, Ragusa, Sebenico, Arbe, Lussino, Cherso, Veglia, Lissa, Curzola, Lagosta, Pelagosa, Pelestrina, Cavarzere, Chioggia, Malamocco, Sottomarina, Lido, Ravenna, Rimini, Pesaro, Fano, Senigallia, Ascoli Piceno, Civitanova Marche, Macerata, Porto Recanati, Recanati, Loreto, Osimo, Jesi, Fabriano, Matelica, Camerino, Tolentino, Sarnano, Amandola, Montefortino, Montegiorgio, Fermo, Porto San Giorgio, Porto Civitanova, Porto Sant'Elpidio, Civitanova Alta, Sant'Elpidio a Mare, Monte Urano, Falerone, Montegranaro, Monte Vidon Corrado, Monte Vidon Combatte, Ripatransone, Grottammare, Cupra Marittima, Monte Rinaldo, Monte Giberto, Petritoli, Ortezzano, Servigliano, Belmonte Piceno, Penna San Giovanni, Amandola, Montefortino, Montegiorgio, Fermo, Porto San Giorgio, Porto Civitanova, Porto Sant'Elpidio, Civitanova Alta, Sant'Elpidio a Mare, Monte Urano, Falerone, Montegranaro, Monte Vidon Corrado, Monte Vidon Combatte, Ripatransone, Grottammare, Cupra Marittima, Monte Rinaldo, Monte Giberto, Petritoli, Ortezzano, Servigliano, Belmonte Piceno, Penna San Giovanni.

(**) Pasta ration for Rome, Milan, Turin, Genoa, Naples, Palermo, Trieste, Venice, Florence, Bologna, Leghorn, Messina, Catania, Bari, Trapani, Reggio Calabria, Taranto, Brindisi, Ancona, Pescara, Cagliari, Sassari, Trento, Bolzano, Udine, Gorizia, Aosta, Perugia, Terni, Pola, Fiume, Zara, Spalato, Cattaro, Ragusa, Sebenico, Arbe, Lussino, Cherso, Veglia, Lissa, Curzola, Lagosta, Pelagosa, Pelestrina, Cavarzere, Chioggia, Malamocco, Sottomarina, Lido, Ravenna, Rimini, Pesaro, Fano, Senigallia, Ascoli Piceno, Civitanova Marche, Macerata, Porto Recanati, Recanati, Loreto, Osimo, Jesi, Fabriano, Matelica, Camerino, Tolentino, Sarnano.

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| CATEGORIES | No. of ration cards | Daily rations | |
|---|---|---|---|
| | | Bread | Pasta |
| | | grs | grs |
| 1. NORMAL CONSUMERS (Non-Producers) { Bread (*) | 35,271,684 | 200 (**) | 66.6 |
| 1. NORMAL CONSUMERS (Non-Producers) { Pasta (*) | 35,417,221 | | |
| 2. SUPPLEMENTARY RATIONS (Consumers entitled to supplementary rations already included in para 1): | | | |
| Agricultural/Heavy workers | 3,181,565 | 100 | 20 |
| Very heavy Workers | 233,860 | 200 | 20 |
| Miners/Forestry Workers | 195,539 | 400 | 20 |
| Armed Forces Workers | 378,210 | 250 | 50 |
| 3. SPECIAL RATIONS (Consumers entitled to special rations not included in para 1): | | | |
| Hospital Patients and Staffs, Refugees, Returning P. O. W. | 527,733 | 350 | 85 |
| Public Security Agents, Mine Clearance Squads, Guardie Finanza e Forestali, Firemen, Municipal Police Guards, and Others | 150,056 | 125 | 75 |
| Civilian Prisoners in jails | 99,986 | 400 | 70 |
| Juvenile Delinquents in jails | 6,294 | 450 | 70 |
| Civilian Prisoners in Reformatories | 4,201 | 350 | 85 |
| Merchant Ships' Crews | 25,368 | 340 | (flour) |
| Consuls & their families, Foreign Correspondents | 2,955 | 500 | 175 |
| Feeding Points for Refugees at Railway Stations | 34,982 | 150 | 45 |
| 4. OTHER SUPPLEMENTS AND INDUSTRIAL MESSES (Consumers entitled to these supplements are already included in para 1, except Allied Nationals): | | | |
| Allied Nationals | 22,846 | 100 | — |
| Communal Feeding (Welfare) | 262,222 | — | 53 |
| Industrial Messes, Vatican Kitchens | 1,976,133 | — | 53 |
| School Feeding | 597,196 | 100 | 50 |
| Pregnant women at home | 133,670 | — | 150 |
| T. B. cases at home | 149,046 | 150 | 50 |
| 5. OTHER CATEGORIES (for which only the total *daily* requirement is known; figures in m. tons and in wheat equivalent): | | | |
| | Metric Tons | | |
| Mill workers, Bakers and Families | 8.70 | | |
| Seasonal Workers | 21.90 | | |
| Childrens Institutions | 30.28 | | |
| Other Categories (sick at Home, Blood Donors, etc.) | 75.00 | | |

(*) The difference between the two figures of ration cards is only due to the fact that some grain producers prefer to obtain the pasta ration card and deliver in exchange a quota of their legal grain retention for food.

(**) Bread ration increased to 250 grs as of 15 July 1946.

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TABLE 24

## Italian Government Ration Scale for Fats as on 15. July 1946

| CATEGORIES | No. of ration cards | Daily rations (grs) | Monthly rations (grs) |
|---|---|---|---|
| 1. NORMAL CONSUMERS (non-producers) | 35,384,048 | 6.1 | 183 |
| 2. SPECIAL RATIONS (Consumers entitled to special rations not included in in para 1): | | | |
| Hospital Patients and Staffs. | 425,971 | 25 | 750 |
| Refugees in Camps, Returning P. O. W. | 101,802 | 6.6 | 198 |
| P. S. Agents, Mine Clearance Squads, Guardie Finanza, Guardie Forestali, Firemen, Municipal Police Guards, and Others | 150,056 | 28 | 840 |
| Civilian Prisoners in jails | 99,966 | 10 | 300 |
| Juvenile Delinquents in jails | 6,294 | 10 | 300 |
| Civilian Prisoners in Reformatories | 4,201 | 20 | 600 |
| Merchant Ships' Crews | 25,368 | 6.1 | 183 |
| Consuls & their Families, Foreign Correspondents | 2,955 | 25 | 750 |
| Refugees at Railway Stations | 15,504 | 5 | 150 |
| 3. OTHER SUPPLEMENTS AND INDUSTRIAL MESSES (Consumers entitled to these supplements already included in para 1): | | | |
| Communal Feeding (Welfare) | 262,222 | 5 | 150 |
| Industrial Messes | 1,931,833 | 5 | 150 |
| School Feeding | 597,496 | 5 | 150 |
| Pregnant Women at Home | 133,670 | 10 | 300 |
| T. B. cases at Home | 149,016 | 13.3 | 400 |
| 4. OTHER CATEGORIES (for which only the monthly requirement is known – figures in metric tons): | | | |
| Blood Donors | 12·82 | | |

TABLE 25

## Italian Government Ration Scale for Sugar as on 15. July 1946

| CATEGORIES | No. of ration cards | Daily rations (grs) | Monthly rations (grs) |
|---|---|---|---|
| 1. NORMAL CONSUMERS | 45,765,928 | 5 | 150 |
| 2. SPECIAL RATIONS (Consumers entitled to special rations not included in para 1): | | | |
| Hospital Patients and Staffs. | 416,931 | 33 | 990 |
| Refugees in Camps, Returning P. O. W. | 101,802 | 33 | 990 |
| P. S. Agents, Mine Clearance Squads, Guardie Finanza, Guardie Forestali, Firemen, Municipal Police Guards, and Others | 150,056 | 28 | 840 |
| Civilian Prisoners in jails | 99,966 | 8.3 | 249 |
| Juvenile Delinquents in jails | 6,294 | 8.3 | 249 |
| Civilian Prisoners in Reformatories | 4,201 | 33 | 990 |

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| | No. of ration cards | Daily rations (grs) | Monthly rations (grs) |
|---|---|---|---|
| 1. NORMAL CONSUMERS (non-producers) | 35,384,043 | 6.1 | 183 |
| 2. SPECIAL RATIONS (Consumers entitled to special rations not included in in para 1): | | | |
| Hospital Patients and Staffs | 125,971 | 25 | 750 |
| Refugees in Camps, Returning P. O. W. | 101,802 | 6.6 | 198 |
| P. S. Agents, Mine Clearance Squads, Guardie Finanza, Guardie Forestali, Firemen, Municipal Police Guards, and Others | 150,056 | 28 | 840 |
| Civilian Prisoners in jails | 99,966 | 10 | 300 |
| Juvenile Delinquents in jails | 6,294 | 10 | 300 |
| Civilian Prisoners in Reformatories | 4,201 | 20 | 600 |
| Merchant Ships' Crews | 25,368 | 6.1 | 183 |
| Consuls & their Families, Foreign Correspondents | 2,955 | 25 | 750 |
| Refugees at Railway Stations | 15,504 | 5 | 150 |
| 3. OTHER SUPPLEMENTS AND INDUSTRIAL MESSES (Consumers entitled to these supplements already included in para 1): | | | |
| Communal Feeding (Welfare) | 262,222 | 5 | 150 |
| Industrial Messes | 1,931,833 | 5 | 150 |
| School Feeding | 597,496 | 5 | 150 |
| Pregnant Women at Home | 133,670 | 10 | 300 |
| T. B. cases at Home | 149,046 | 13.3 | 400 |
| 4. OTHER CATEGORIES (for which only the monthly requirement is known – figures in metric tons): | | | |
| Blood Donors 12·82 | | | |

TABLE 25

## Italian Government Ration Scale for Sugar as on 15. July 1946

| CATEGORIES | No. of ration cards | Daily rations (grs) | Monthly rations (grs) |
|---|---|---|---|
| 1. NORMAL CONSUMERS | 45,763,928 | 5 | 150 |
| 2. SPECIAL RATIONS (Consumers entitled to special rations not included in para 1): | | | |
| Hospital Patients and Staffs | 416,931 | 33 | 990 |
| Refugees in Camps, Returning P. O. W. | 101,802 | 33 | 990 |
| P. S. Agents, Mine Clearance Squads, Guardie Finanza, Guardie Forestali, Firemen, Municipal Police Guards, and Others | 150,056 | 28 | 840 |
| Civilian Prisoners in jails | 99,966 | 8.3 | 249 |
| Juvenile Delinquents in jails | 6,294 | 8.3 | 249 |
| Civilian Prisoners in Reformatories | 4,201 | 33 | 990 |
| Merchant Ships' Crews | 25,368 | 14 | 420 |
| Consuls & their Families, Foreign Correspondents | 2,955 | 20 | 600 |
| 3. OTHER SUPPLEMENTS (Consumers entitled to these supplements already included in para 1): | | | |
| Pregnant Women at Home | 133,670 | 10 | 300 |
| T. B. cases at Home | 149,046 | 10 | 300 |
| Artificially Fed Babies | 216,138 | 26.7 | 800 |

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TABLE 26

# Table of Rations for UNRRA Summer Camps: 27 June, 1946

Individual rations in grams for all assisted without distinction of age

## A) PERMANENT CAMPS

| Ration types | Powdered milk | Wheat-meal | Sugar | Flour | Fats | Dried legumes | Powd. legumes | Fish or meat | Dehydrated eggs | Marmalade |
|---|---|---|---|---|---|---|---|---|---|---|
| | DAILY RATIONS | | | | | | | | | |
| A) Ration card (1) | — | — | 5 | 252 (1) | 6.6 | — | — | — | — | — |
| B) School meals | 35.83 | | 5 | 86.33 | 10.0 | 15 | 15 | 15 | 7.5 | 25 |
| C) Suppl. Permanent UNRRA camps | 4.17 | 12 | 5 | 93.67 | — | 45 | 15 | 18 | 12.5 | 25 |
| Total UNRRA ration (B+C) | 40.00 | 12 | 10 | 180.00 | 10.0 | 60 | 30 | 33 | 20.0 | 50 |
| Total ration permanent camps (A+B+C) | 40.00 | 12 | 15 | 432.00 | 16.6 | 60 | 30 | 33 | 20.0 | 50 |
| | MONTHLY RATION | | | | | | | | | |
| A) Ration card (1) | — | — | 150 | 7.560 | 200 | — | — | — | — | — |
| B) School meals UNRRA | 1.075 | — | 150 | 2.590 | 300 | 450 | 450 | 450 | 225 | 750 |
| C) Suppl. Permanent UNRRA camps | 125 | 360 | 150 | 2.810 | — | 1.350 | 450 | 540 | 375 | 750 |
| Total UNRRA ration (B+C) | 1.200 | 360 | 300 | 5.400 | 300 | 1.800 | 900 | 990 | 600 | 1.500 |
| Total ration permanent camps (A+B+C) | 1.200 | 360 | 450 | 12.960 | 500 | 1.800 | 900 | 990 | 600 | 1.500 |

## B) DAILY CAMPS

(Rations in Grams)

| Ration types | Powdered milk | Wheat-meal | Sugar | Flour | Fats | Dried legumes | Powd. legumes | Fish or meat | Dehydrated eggs | Marmalade |
|---|---|---|---|---|---|---|---|---|---|---|
| | DAILY RATION | | | | | | | | | |
| A) School meals UNRRA | 35.83 | — | 5 | 86.33 | 10 | 15 | 15 | 15 | 7.5 | 25 |
| B) Suppl. Daily UNRRA camps | 4.17 | — | 5 | 113.67 | 5 | — | — | — | — | — |
| Total rations daily camps (A+B) | 40.00 | — | 10 | 200.00 | 15 | 15 | 15 | 15 | 7.5 | 25 |
| | MONTHLY RATION | | | | | | | | | |

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Individual rations in grams for all assisted without distinction of age

A) PERMANENT CAMPS

| Ration types | Powdered milk | Wheat-meal | Sugar | Flour | Fats | Dried legumes | Powd. legumes | Fish or meat | Dehydrated eggs | Marmalade |
|---|---|---|---|---|---|---|---|---|---|---|
| | DAILY RATIONS | | | | | | | | | |
| A) Ration card (1) | — | — | 5 | 252 (1) | 6.6 | — | — | — | — | — |
| B) School meals | 35.83 | — | 5 | 86.33 | 10.0 | 15 | 15 | 15 | 7.5 | 25 |
| C) Suppl. Permanent UNRRA camps | 4.17 | 12 | 5 | 93.67 | — | 45 | 15 | 18 | 12.5 | 25 |
| Total UNRRA ration (B+C) | 40.00 | 12 | 10 | 180.00 | 10.0 | 60 | 30 | 33 | 20.0 | 50 |
| Total ration permanent camps (A+B+C) | 40.00 | 12 | 15 | 432.00 | 16.6 | 60 | 30 | 33 | 20.0 | 50 |
| | MONTHLY RATION | | | | | | | | | |
| A) Ration card (1) | — | — | 150 | 7,560 | 200 | — | — | — | — | — |
| B) School meals UNRRA | 1,075 | — | 150 | 2,590 | 300 | 450 | 450 | 450 | 225 | 750 |
| C) Suppl. Permanent UNRRA camps | 125 | 360 | 150 | 2,810 | — | 1,350 | 450 | 540 | 375 | 750 |
| Total UNRRA ration (B+C) | 1,200 | 360 | 300 | 5,400 | 300 | 1,800 | 900 | 990 | 600 | 1,500 |
| Total ration permanent camps (A+B+C) | 1,200 | 360 | 450 | 12,960 | 500 | 1,800 | 900 | 990 | 600 | 1,500 |

B) DAILY CAMPS

(Rations in Grams)

| Ration types | Powdered milk | Wheat-meal | Sugar | Flour | Fats | Dried legumes | Powd. legumes | Fish or meat | Dehydrated eggs | Marmalade |
|---|---|---|---|---|---|---|---|---|---|---|
| | DAILY RATION | | | | | | | | | |
| A) School meals UNRRA | 35.83 | — | 5 | 86.33 | 10 | 15 | 15 | 15 | 7.5 | 25 |
| B) Suppl. Daily UNRRA camps | 4.17 | — | 5 | 113.67 | 5 | — | — | — | — | — |
| Total rations daily camps (A+B) | 40.00 | — | 10 | 200.00 | 15 | 15 | 15 | 15 | 7.5 | 25 |
| | MONTHLY RATION | | | | | | | | | |
| A) School meals UNRRA | 1,075 | — | 150 | 2,590 | 300 | 450 | 450 | 450 | 225 | 750 |
| B) Suppl. Daily UNRRA camps | 125 | — | 150 | 3,410 | 150 | — | — | — | — | — |
| Total ration daily camps (A+B) | 1,200 | — | 300 | 6,000 | 450 | 450 | 450 | 450 | 225 | 750 |

(1) Equal to 200 gr. of bread and 66.6 gr. of pasta.

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## *REVIVAL OF ITALIAN WELFARE SERVICES* (1)

133. The provision of food supplies to agencies for assistance of persons in need had an effect of strengthening and developing ancillary welfare activities. The lack of a single central authority (possibly designated as Ministry of Welfare) and of trained welfare workers and persons understanding welfare in its modern significance made the task difficult. Military authorities had, however, done much to impress the Italian authorities with the need for planned welfare services. There was thus a desire to progress on modern lines. The need was for experience in planning or executing broad welfare projects.

134. Whereas the Allied Control Commission approached the problem on the central level, continually pressing the Government for legi-lation for poor relief, social insurance and the provision of health services, the UNRRA staff concentrated more on leadership among local interested groups. The UNRRA purpose was to promote coordination among existing services and to extend the scope and thinking of those already concerned with welfare work.

135. For examp.., in the distribution of foods to children in schools, arrangements were made as early as the summer of 1945 in Rome and Naples for some supervized leisure activities to keep the children off the streets. Since that time other cities throughout Italy have made similar plans. In addition, a manual for guidance in preparing a school lunch meal was prepared. This manual has now been accepted by the Ministry of Education for use in future school lunch programs.

136. Throughout Italy, there continues to be expressed greater interest than ever in getting children back to school and in planning, within the educational structure, for meeting emotional and psychological needs of children, as well as for their need for academic instruction. Provincial Committees gradually began to see a welfare function as something broader than that of simply feeding children and, during 1946 in particular, there have been tangible evidences of these Committees really functioning as the one unit in the province able to assess community needs and to make plans for meeting them. The Italian Delegation Office, on its part, has arranged conferences of Provincial Committees' Secretaries in all the regions, so that their experience could be pooled and some stimulation could be given to the undertaking of surveys of welfare needs. UNRRA also assisted the Government in organizing five nutrition conferences in regions throughout Italy, and a plan for a national conference is contemplated for the Fall of 1946. With the assistance of the Italian Delegation, the Ministry of Post-War Assistance and individual social agencies, UNRRA has organized for three weeks during the month of September an institute for social service workers. This institute represents the first effort ever made in Italy to bring together for discussions of welfare problems representatives of different social agencies.

137. As a result of the efforts of the Italian Delegation Office and UNRRA, many indigenous agencies are beginning to show new initiative and to understand existing programs and develop new ones. Particularly in the north, where the Allied Commission had done much welfare work, local ONMI and ECA officers have shown enterprise and initiative in trying to meet the relief needs of their areas. In addition, some interest has been stimulated on a national level in reviewing and analyzing the existing structure for welfare purposes, with an aim toward creating a Ministry of Welfare, which would assume supervisory responsibility for the welfare services that are now scattered throughout the

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(1) *Note*: No evaluation has been made of the aggregate outlay by hospitals and public bodies (State, provinces, towns quasi-governmental bodies) for assistance and charity in their various forms. The major part of this expenditure for the financial year 1945-46 can be summarized as follows:

| | Million Lire |
|---|---|
| 1. Hospitals | 6,000 |
| 2. Subsidy from the State (Ministry of Interior) to hospitals and to all charitable institutions | 1,318 |
| 3. Expenditure by provinces for assistance to illegitimate children and for treatment of mental patients | 10,000 |
| 4. Expenditure Opera Nazionale Maternità Infanzia (O.N.M.I. National Organization for Maternity and Infancy) and other expenditure by the Ministry of Interior for assistance to children | 338 (2) |
| 5. The Ministry of Interior for communal relief institutions | 3,270 |
| 6. The High Commissariat for Hygiene and Public Health for: | |
| *a*) the campaign against: venereal diseases, leprosy, cancer, tuberculosis, trachoma, infectious diseases, malaria; | |
| *b*) public health; medical services on account of the state of war; medical services | |

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lack of a single central authority (possibly designated as Ministry of Welfare) and of trained welfare workers and persons understanding welfare in its modern significance made the task difficult. Military authorities had, however, done much to impress the Italian authorities with the need for planned welfare services. There was thus a desire to progress on modern lines. The need was for experience in planning or executing broad welfare projects.

134. Whereas the Allied Control Commission approached the problem on the central level, continually pressing the Government for legislation for poor relief, social insurance and the provision of health services, the UNRRA staff concentrated more on leadership among local interested groups. The UNRRA purpose was to promote coordination among existing services and to extend the scope and thinking of those already concerned with welfare work.

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(1) *Note*: No evaluation has been made of the aggregate outlay by hospitals and public bodies (State, provinces, towns quasi-governmental bodies) for assistance and charity in their various forms. The major part of this expenditure for the financial year 1945-46 can be summarized as follows:

| | Million Lire |
|---|---|
| 1. Hospitals | 6,000 |
| 2. Subsidy from the State (Ministry of Interior) to hospitals and to all charitable institutions | 1,318 |
| 3. Expenditure by provinces for assistance to illegitimate children and for treatment of mental patients | 10,000 |
| 4. Expenditure Opera Nazionale Maternità Infanzia (O.N.M.I. National Organization for Maternity and Infancy) and other expenditure by the Ministry of Interior for assistance to children | 338 (2) |
| 5. The Ministry of Interior for communal relief institutions | 3,270 |
| 6. The High Commissariat for Hygiene and Public Health for: a) the campaign against: venereal diseases, leprosy, cancer, tuberculosis, trachoma, infectious diseases, malaria; b) public health; medical services on account of the state of war; medical services in Sicily; Italian Red Cross | 22,817 |
| Total | 43,743 |

(2) The Ministry of Interior's subsidy to O. N. M. I. for the fiscal year 1946-47 has been estimated at 450 million lire.

Source: Ministry of Interior.

have made similar plans. In addition, a manual for guidance in preparing a school lunch meal was prepared. This manual has now been accepted by the Ministry of Education for use in future school lunch programs.

136. Throughout Italy, there continues to be expressed greater interest than ever in getting children back to school and in planning, within the educational structure, for meeting emotional and psychological needs of children, as well as for their need for academic instruction. Provincial Committees gradually began to see a welfare function as something broader than that of simply feeding children and, during 1946 in particular, there have been tangible evidences of these Committees really functioning as the one unit in the province able to assess community needs and to make plans for meeting them. The Italian Delegation Office, on its part, has arranged conferences of Provincial Committees' Secretaries in all the regions, so that their experience could be pooled and some stimulation could be given to the undertaking of surveys of welfare needs. UNRRA also assisted the Government in organizing five nutrition conferences in regions throughout Italy, and a plan for a national conference is contemplated for the Fall of 1946. With the assistance of the Italian Delegation, the Ministry of Post-War Assistance and individual social agencies, UNRRA has organized for three weeks during the month of September an institute for social service workers. This institute represents the first effort ever made in Italy to bring together for discussions of welfare problems representatives of different social agencies.

137. As a result of the efforts of the Italian Delegation Office and UNRRA, many indigenous agencies are beginning to show new initiative and to understand existing programs and develop new ones. Particularly in the north, where the Allied Commission had done much welfare work, local ONMI and ECA officers have shown enterprise and initiative in trying to meet the relief needs of their areas. In addition, some interest has been stimulated on a national level in reviewing and analyzing the existing structure for welfare purposes, with an aim toward creating a Ministry of Welfare, which would assume supervisory responsibility for the welfare services that are now scattered throughout the several Governmental Ministries and semi-autonomous bodies.

138. Approaches were also made during this period for UNRRA assistance in the training of social workers, and the possibilities of local training and overseas fel-

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lowships. Plans have now been made for sending six persons from Italy to the U.S. and Great Britain for further training in the field of social work, and assistance has been given to four local schools of social work, in the organization of their curriculum.

*Present needs.*

139. For the remaining portion of this year, UNRRA will make food and clothing supplies available for those welfare services which the Government commits itself to continue during 1947.

140. With this end in view UNRRA has made a rough survey of the numbers of needy people at present in the country. An aggregate figure of over 7 million persons is, certainly, a conservative estimate. 6 million needy persons, out of a total of 7.3 million (see Table 27), are either unemployed or in families whose members are not employed. Should unemployment fall substantially, the number of persons needing assistance will decrease. But the figures appearing in Table 27 err on the low side since they do not include: (a) needy persons not necessarily included in the unemployed lists (if the low real wages level, the high partial unemployment and the substantial frequency of families with many members are taken into account, there is an appreciable number of needy persons excluded from the 6 million unemployed); (b) the number of 850,000 children and nursing mothers, in item "f" of Table 27 is an under-estimate, since in May 1946 the number of UNRRA-assisted persons was 1.9 million (see Tables 20 and 21); (c) over and above the number of the disabled, of the orphans, etc., appearing in item "d" of Table 27, relating to Ministry of Interior-controlled institutions, there are other disabled, homeless, etc., persons in other lay or religious institutions.

TABLE 27

Rough Estimate of the Number of Persons Needing Assistance in Italy: 1946

| | | |
|---|---|---|
| *a*) UNEMPLOYED: Official figures of the Ministry of Labor for May 1946 (based on registration with labor exchanges) | 1,546,000 | |
| *b*) ESTIMATED ACTUAL UNEMPLOYED (including non registered persons) | 2,500,000 | |
| Of whom heads of families | 1,500,000 | |
| *c*) Total unemployed including dependents (estimated at 2.3 to every head of family, on basis of official figures for 1936) say | | 6,000,000 |
| *d*) Invalid asylums | Approx. figures of Ministry of Interior | 100,000 |
| Orphanages | | 155,000 |
| Homes for abandoned infants | | 25,000 |
| *e*) Hospitals (incl. sanatoriums and lunatic asylums - 235,000 beds; about 70 % of total figure assumed to represent the needy) | | 170,000 |
| *f*) O. N. M. I. (1945 figures) (1) | | 250,000 (mothers) 600,000 (babies) |
| | | 7,300,000 |

(1) The O.N.M.I. figures for 1945 are below those of 1938, but on the other hand necessarily duplicate a small percentage of the above unemployed figure.

## *NEEDS DURING 1947 AND AFTER*

141. The needs of a large number of persons for help in securing a minimum level of subsistence and accommodation will persist in Italy not only during 1947 but for years thereafter. Not only are unemployment figures high, but in addition, large numbers of returning

for four years. In many of the small communes where schools have been destroyed, there are today no buildings where children can be taught.

143. There are 60,000 returned prisoners of war, refugees from other provinces and bombed-out persons still living in temporary camps. The return of these persons to homes, employment and a normal means

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*Present needs.*

139. For the remaining portion of this year, UNRRA will make food and clothing supplies available for those welfare services which the Government commits itself to continue during 1947.

140. With this end in view UNRRA has made a rough survey of the numbers of needy people at present in the country. An aggregate figure of over 7 million persons is, certainly, a conservative estimate. 6 million needy persons, out of a total of 7.3 million (see Table 27), are either unemployed or in families whose ment and the substantial frequency of families with many members are taken into account, there is an appreciable number of needy persons excluded from the 6 million unemployed); (b) the number of 850,000 children and nursing mothers, in item "f" of Table 27 is an under-estimate, since in May 1946 the number of UNRRA-assisted persons was 1.9 million (see Tables 20 and 21); (c) over and above the number of the disabled, of the orphans, etc., appearing in item "d" of Table 27, relating to Ministry of Interior-controlled institutions, there are other disabled, homeless, etc., persons in other lay or religious institutions.

TABLE 27

Rough Estimate of the Number of Persons Needing Assistance in Italy: 1946

| | | | |
|---|---|---|---|
| *a*) UNEMPLOYED: Official figures of the Ministry of Labor for May 1946 (based on registration with labor exchanges) | | 1,546,000 | |
| *b*) ESTIMATED ACTUAL UNEMPLOYED (including non registered persons) | | 2,500,000 | |
| Of whom heads of families | | 1,500,000 | |
| *c*) Total unemployed including dependents (estimated at 2.3 to every head of family, on basis of official figures for 1936) say | | | 6,000,000 |
| *d*) Invalid asylums | Approx. figures of Ministry of Interior | | 100,000 |
| Orphanages | | | 155,000 |
| Homes for abandoned infants | | | 25,000 |
| *e*) Hospitals (incl. sanatoriums and lunatic asylums – 235,000 beds: about 70 % of total figure assumed to represent the needy) | | | 170,000 |
| *f*) O. N. M. I. (1945 figures) (1) | | | 250,000 (mothers) |
| | | | 600,000 (babies) |
| | | | 7,300,000 |

(1) The O.N.M.I. figures for 1945 are below those of 1938, but on the other hand necessarily duplicate a small percentage of the above unemployed figure.

## *NEEDS DURING 1947 AND AFTER*

141. The needs of a large number of persons for help in securing a minimum level of subsistence and accommodation will persist in Italy not only during 1947 but for years thereafter. Not only are unemployment figures high, but in addition, large numbers of returning soldiers, refugees and persons made homeless as a result of the war, are now found to be unemployable as a result of deprivations during the war.

142. Other social problems are being presented quite clearly and vividly. The needs of Italy's children are great. Many were without any direction or supervision for four years. In many of the small communes where schools have been destroyed, there are today no buildings where children can be taught.

143. There are 60,000 returned prisoners of war, refugees from other provinces and bombed-out persons still living in temporary camps. The return of these persons to homes, employment and a normal means of living is one of the most pressing problems that faces the country.

144. Pending the rehabilitation of Italian industry, agriculture and trade, it is only within a very restricted economy that welfare services can be carried on or the

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principle adopted of security for service and contribution. Adequacy is thus outside the reach of the Italian welfare services. Welfare services could, however, help those who are most in need to get their fair share of such supplies as are available. They could, with planning, offer service in social re-adjustment which would not draw too heavily on the country's resources.

145. To meet the needs of its people effectively, the Government must accept a major share of responsibility in the welfare field. However, until there is within the Government, some central unit responsible for analyzing and planning to meet the situation, efforts to bring assistance can only be sporadic. With great need and limited resources, the charitable foundations can no longer be expected to carry this burden. Their efforts will be needed, as well as the efforts of all voluntary groups, but to assure economy of effort and expenditure, the plans must be national, with the Government taking responsibility.

146. Almost greater than the need for material assistance is the need to relate the different rehabilitation activities of the Government and to focus them more sharply on their ultimate objective—that of providing a better living for the people. The plans for public work need to be closely related to the needs of refugees for housing and to the needs of children for school buildings. The plans of the employment offices need to be related to the needs of returning veterans, to the needs of persons receiving assistance from ECA, and to the needs of young persons coming from schools and institutions. Only with a central unit within the Government, able to present the needs of people, can such relating of plans be effectuated.

147. From now on, there would seem to be more reason than ever for the Prefettura to exercise its authority to coordinate and combine agencies and institutions to prevent overlapping and duplication. With the small amount of resources available in the country, the time would seem propitious to combine with other agencies those institutions without resources which now, by existing independently, cost their communities a sum disproportionate to the value of their service. The time would also seem opportune for existing welfare agencies to consider the employment of a few well-paid, qualified persons, who, in the long run, in terms of service rendered, would be less costly than a large number of poorly paid, unqualified people.

148. The needs of different parts of the country vary and the map—Table 28—indicates the relative degree of assistance required in the different provinces as a direct result of the war (based on unemployment figures and numbers of homeless). The "black" areas are those areas which were the scene of static warfare during the Italian campaign. The next worst areas shown in the map are, generally speaking, those containing large towns which were subjected to heavy air raids. It is to these groups of war affected areas that welfare assistance must be brought.

149. It is important to note that the shading on the map is not an indication of absolute need. The North of Italy has always been a far richer part of the country than the South and consequently the standard of living for people South of Rome is and always has been lower than those living in the North. Thus a map showing areas in need from all causes (not solely from war causes) would be more heavily shaded in the South. At the same time, the industrial population is mainly in the North, and it is in the large towns of the North that unemployment is most rife, and it is there that the need for welfare services is urgent.

## SPECIAL RELIEF PROJECTS AND THE WELFARE WORK OF VOLUNTARY SOCIETIES

150. Apart from the work of the Italian Government Welfare Organizations and that done by the Welfare Division of UNRRA in co-operation with them, a considerable amount of welfare activity is carried out in Italy by the Special Relief Projects Division of UNRRA and by the numerous Voluntary Relief Societies mainly working in conjunction with UNRRA.

(b) The processing of donated used clothing, shoes, salvaged material, etc., for distribution to needy Italians.

(a) THE CASAS PROJECT.

152. A minimum of 1,000 million lire is being spent

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not draw too heavily on the country's resources.

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### I. - *SPECIAL RELIEF PROJECTS*

151. The two special projects at present being undertaken are:

(a) Repair and Reconstruction of war damaged houses in the badly devastated areas and

(b) The processing of donated used clothing, shoes, salvaged material, etc., for distribution to needy Italians.

#### (a) THE CASAS PROJECT.

152. A minimum of 1.000 million lire is being spent on a program of house-building and house repair in the war devastated regions of Emilia, Tuscany, Lazio and Abruzzi. The program is financed by an allocation from the special relief and rehabilitation fund known as the Lira Fund created by the sale in Italy of UNRRA supplies delivered free to the Italian Government. In addition, substantial foreign currency expenditure has been approved by UNRRA for truck-

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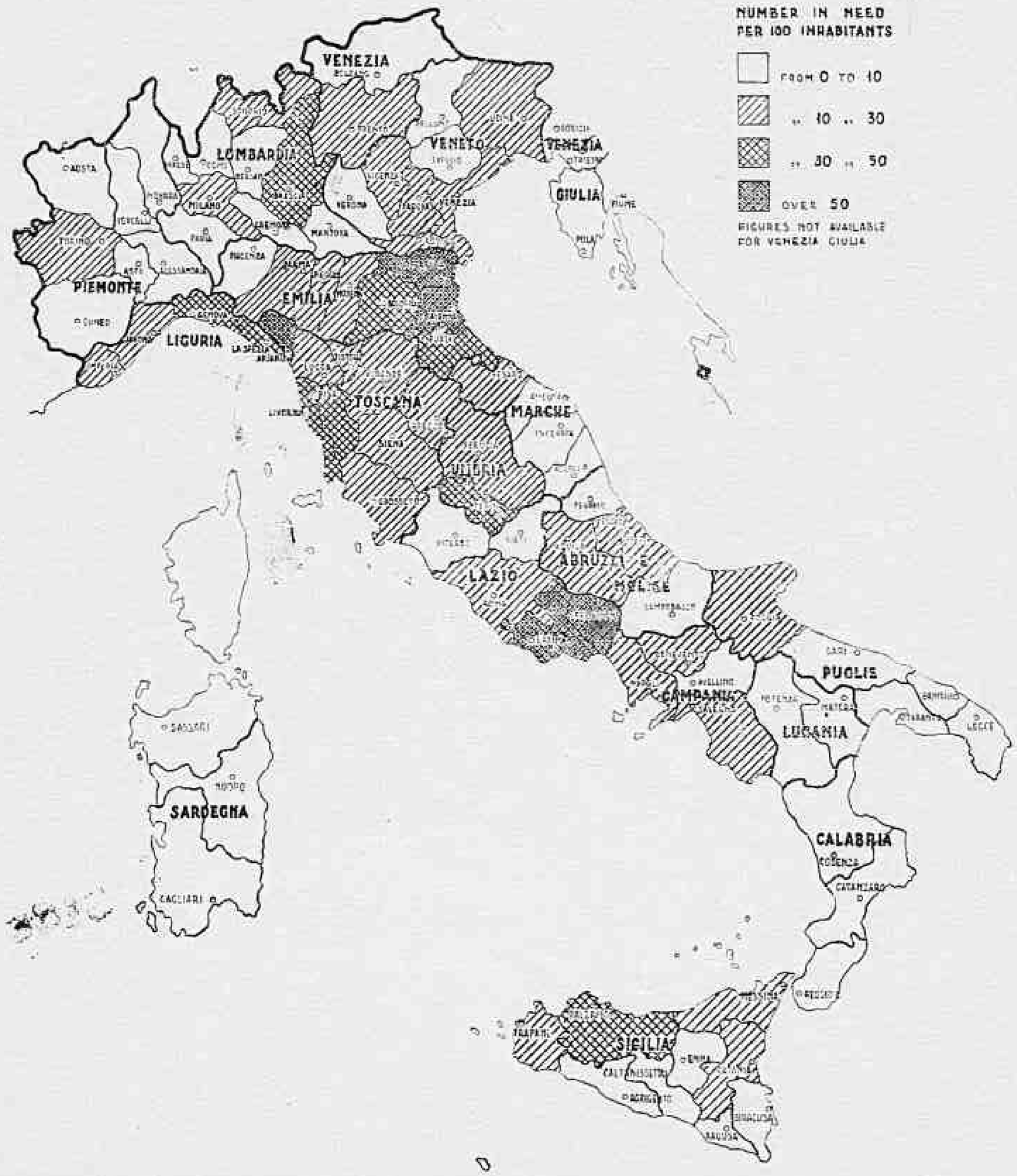
TABLE 28

## AREA DISTRIBUTION OF POPULATION IN NEED AS A RESULT OF THE WAR

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transport, and other charges involving payments abroad. The new housing project represents the logical next step in UNRRA's program of assisting war-displaced and homeless Italians to return to real homes. By these measures, it is planned to empty the barracks, camps and dispersal areas where the homeless are now congregated. The experience of UNRRA in Italy has clearly demonstrated that such a program is essential to meet the special needs of the existing emergency situation.

153. The work is being undertaken by CASAS (Comitato Amministrativo Soccorsi ai Senzatetto), a joint autonomous body composed of UNRRA, the Italian Government and official Government agencies. The aim was to repair 20,000 war-damaged houses, estimated to provide accommodation for 100,000 people and to construct upwards of 1,200 to 1,800 new dwellings. The largest number of new homes to be built in any one area will be erected at Cassino within the first period of 6 months.

154. The areas receiving assistance are those that suffered most during the prolonged fighting on the Gothic and Gustav Lines. In general, it is proposed to limit the work at first to the following provinces:—

*Emilia*: Ravenna, Bologna, Forli.

*Tuscany*: Apuania, Lucca, Livorno, Pisa.

*Lazio*: Frosinone, Latina, Rome.

*Abruzzi*: Chieti, Campobasso, Aquila.

It is proposed that the program will be extended subsequently to other needy areas of Italy.

*Method of Finance.*

155. The first six months' program is financed by the allocation of 1,000 million lire from the special relief and rehabilitation fund, and also by those grants normally payable from Government funds under the Italian War Damage Act. In accordance with Decree No. 305, of 9 June, 1945, a war damage grant may be made up to a maximum of 50 per cent. of the building cost, according to a householder's means, and subject to a limit of 300,000 lire in respect of any one undertaking.

156. UNRRA is providing the necessary internal transport, consisting of approximately 1,000 vehicles; and

157. CASAS is a combined operation by the following bodies: UNRRA Italian Mission, the Italian Government Delegation for Relations with UNRRA, the Ministry of Post-War Assistance, the Ministry of Public Works, the Treasury and the National Council for Research and Reconstruction. At the head of CASAS is Prof. Gustavo Colonnetti, President of the National Council for Research and Reconstruction. The work is organized through an Executive Committee, on which all the above bodies are represented.

158. CASAS was created by Decree. It is a special Government agency, possessing the necessary authority and freedom of action effectively to carry out its program without undue delay. The organization and operation of the program is an Italian responsibility. While, however, CASAS exists as a special agency to meet the needs of the present emergency, Italian Government agencies concerned with reconstruction are an integral part of it, and its program is co-ordinated with the Government's over-all housing plans.

*Homeless and Homes Destroyed.*

159. The urgency of this and similar undertaking is clearly indicated by the following figures of homeless and of homes destroyed. It is estimated that:—

| | | |
|---|---|---|
| Needy, homeless war displaced Italians | total | 854,000 |
| Rooms destroyed . . . . . | ,, | 1,800,000 |
| Rooms heavily damaged . . . . . | ,, | 1,100,000 |
| Rooms lightly damaged . . . . . | ,, | 2,700,000 |

160. The official Government estimate of the number of persons who previously occupied rooms destroyed or too severely damaged to be habitable is 3,450,000. But, in estimating the number of homeless, regard has been paid to those who are in real need; and, in default of alternative accommodation, are living under conditions of severe hardship in camps or in billets. To these must be added those, still more unfortunate, who are sheltering in caves or in semi-destroyed houses.

161. What is now to be done by CASAS represents a development and an extension of the work done by the Voluntary Society units attached to the UNRRA Italian Mission. Their work has been limited to house repair; they have not engaged in new construction. The repair work they are now carrying out in Abruzzi, Frosinone, [illegible] and Bologna has been absorbed into

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and dispersal areas where the homeless are now congregated. The experience of UNRRA in Italy has clearly demonstrated that such a program is essential to meet the special needs of the existing emergency situation.

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156. UNRRA is providing the necessary internal transport, consisting of approximately 1,000 vehicles; and will procure as much as possible of the materials, equipment and machinery required for the development of the program, as are obtainable from war salvage, Army surplus or other sources. Finally, UNRRA is making available such of its own and Voluntary Society personnel as may be found necessary to assist in the effective execution of the program.

Prof. Gustavo Colonnetti, President of the National Council for Research and Reconstruction. The work is organized through an Executive Committee, on which all the above bodies are represented.

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161. What is now to be done by CASAS represents a development and an extension of the work done by the Voluntary Society units attached to the UNRRA Italian Mission. Their work has been limited to house repair; they have not engaged in new construction. The repair work they are now carrying out in Abruzzi, Frosinone, Latina, Apuania and Bologna has been absorbed into the CASAS program. The work of the Friends' Devastated Area Group in the Abruzzi, hitherto undertaken independently of UNRRA by members of the American Friends' Service Committee and the British Friends' Ambulance Unit, has also been incorporated in the CASAS program.

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*House Repair.*

162. Emphasis continues to be laid upon house repair, wherever that is practicable, rather than upon new construction, since by this means more people can be rehoused in permanent homes in less time. It is a fundamental principle of the CASAS project to provide permanent homes. The money is not being spent upon so-called temporary barracks, since it is almost certain that these unsatisfactory, emergency shelters would become permanent and would thus perpetuate the abnormal, and often unsanitary, conditions under which so many thousands of Italians are at present living.

163. "Homes—and Work" are the twin objectives of this housing program. The aim is to provide houses where families may live normal lives and where, above all, those now condemned to idleness in camps may once more earn their living by following their ordinary trades. In assessing the number of needy war homeless, one factor of considerable importance is that lack of houses is stopping many from going back to work. The new rehousing scheme is designed further to help employment in the devastated areas by the use, as far as possible, of local materials and by the employment of local craftsmen.

164. The CASAS program is one of self-help. To the fullest possible extent the labor of war-displaced persons is being used. Those to be rehoused are "little" men with insufficient resources to re-establish themselves on their own account, but who—once they are re-established—will themselves contribute towards the work of rehabilitation and reconstruction.

165. Where houses can be repaired for less than the 300,000 lire maximum prescribed by Decree No. 305, the owners receive assistance from CASAS, on the understanding that they and the able-bodied members of their families actively participate in the work. CASAS collaborates with the Genio Civile (civil engineer for the province) in making the State war-damage grant, normally payable only on the completion of repairs, quickly available in the form of building materials. CASAS chooses the areas where it is to operate and, in consultation with the local authorities, selects the needy persons to be helped. The building materials are purchased by the Genio Civile, or the owners themselves; and these materials are delivered in CASAS trucks, free of road transportation charges, from railhead to the towns or villages where they are needed. Owners thus benefit in addition, deserving persons who formerly owned small houses, now so far damaged as to be beyond repair, are eligible to occupy the new houses built by CASAS. They pay a nominal rent, and have the right later to buy their houses on an amortization basis. CASAS pays the building costs: the ground is normally provided by the Communes concerned. It is intended that the houses shall be turned over to the Communes and the occupants chosen by the communal authorities, in collaboration with CASAS.

167. Prospective owners, wherever possible, help in building their own homes. The work is done through local co-operative building societies, or through local contractors on a competitive basis, with the proviso that, where the prices and terms are approximately equal, preference is given to local co-operatives.

*Type of Construction.*

168. The houses are either separate cottages or composite blocks to accommodate two or, at the most, four families (see diagram - Table 29). The construction is simple, and does not call for skilled technicians. Rubble from ruined buildings can be used; wood can be salvaged.

*Housing Reconstruction to Date.*

169. Table 30 shows in graph form:

(a) the number of rooms repaired, initially by UNRRA Voluntary Societies, and subsequently under the CASAS project which took over operations in June 1946;

(b) the number of persons who have been rehoused in the premises;

(c) the amount of building materials (stone, sand, tiles, wood, etc.) transported in UNRRA or CASAS vehicles during the same period. This includes "backloading" i.e. return journeys from the housing sites during which the vehicles travel loaded.

170. The CASAS project took over field operations on 10 June 1946 and during the past few months has steadily built up its field organization.

171. With the increased availability of transportation the amount of reconstruction will now show a more rapid increase and the target program of 20,000 houses repaired should be completed by the end of 1946.

(b) THE PROCESSING PROJECT.

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*Classes Eligible for Homes.*

166. All those who, before the war, rented the houses they lived in, and own neither house nor land, and, the Communes concerned. It is intended that the houses shall be turned over to the Communes and the occupants chosen by the communal authorities, in collaboration with CASAS.

167. Prospective owners, wherever possible, help in building their own homes. The work is done through local co-operative building societies, or through local contractors on a competitive basis, with the proviso that, where the prices and terms are approximately equal, preference is given to local co-operatives.

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171. With the increased availability of transportation the amount of reconstruction will now show a more rapid increase and the target program of 20,000 houses repaired should be completed by the end of 1946.

## (b) The Processing Project.

172. The project has two main aims:

(a) To process clothes and shoes and to manufacture clothing as economically as possible for distribution to needy individuals.

(b) To provide work for refugees and inmates of institutions, etc.

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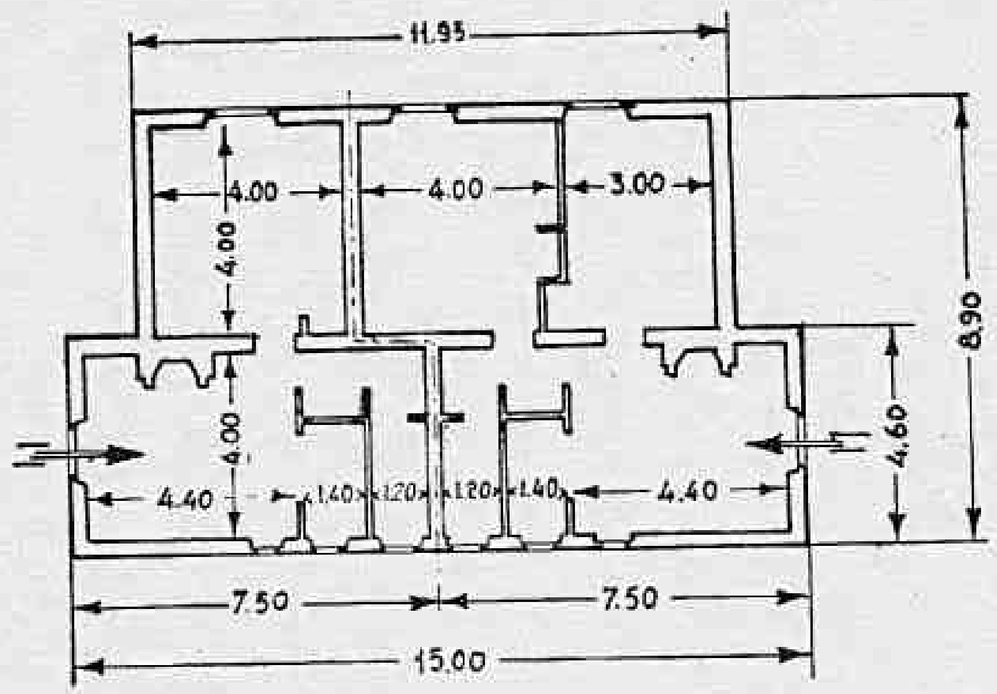
TABLE 29

# FLOOR PLAN
# U.N.R.R.A.~ CASAS
Scale 1:200

## TYPE A

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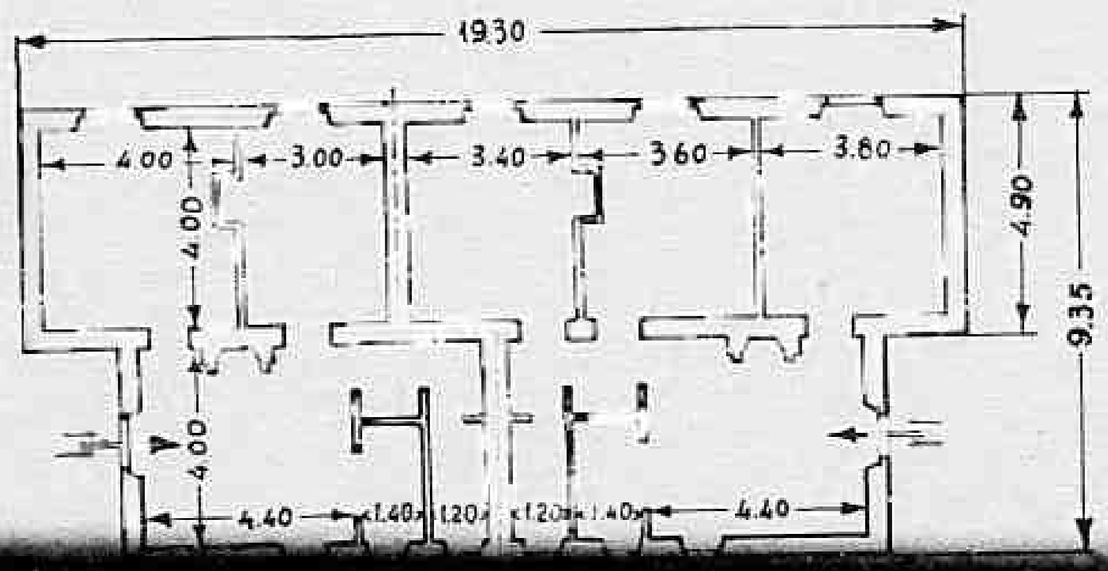


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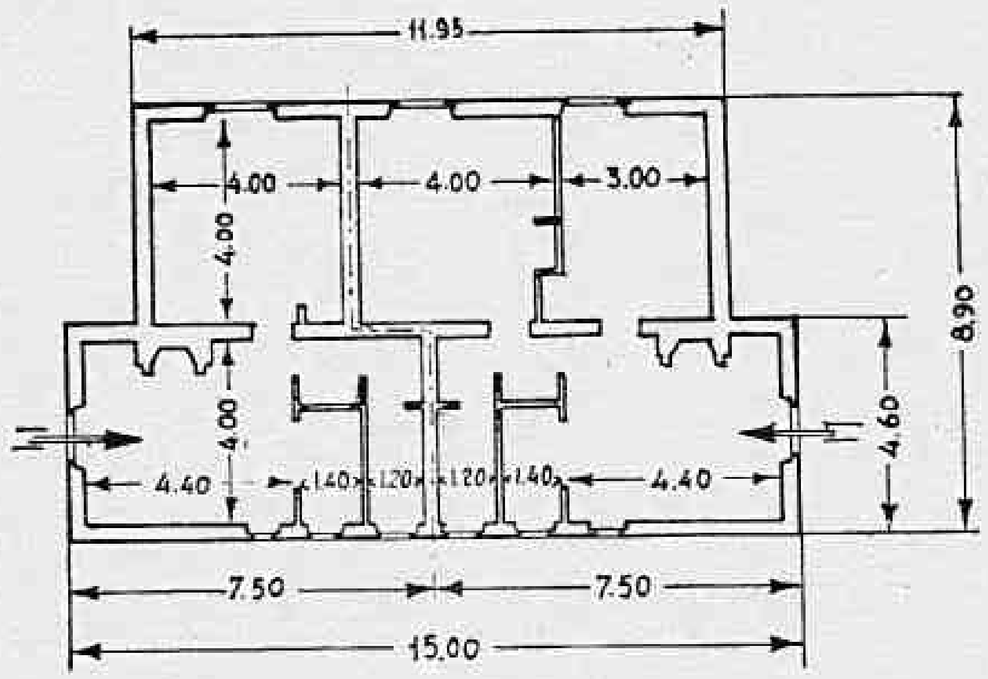
Scale 1:200

# TYPE A

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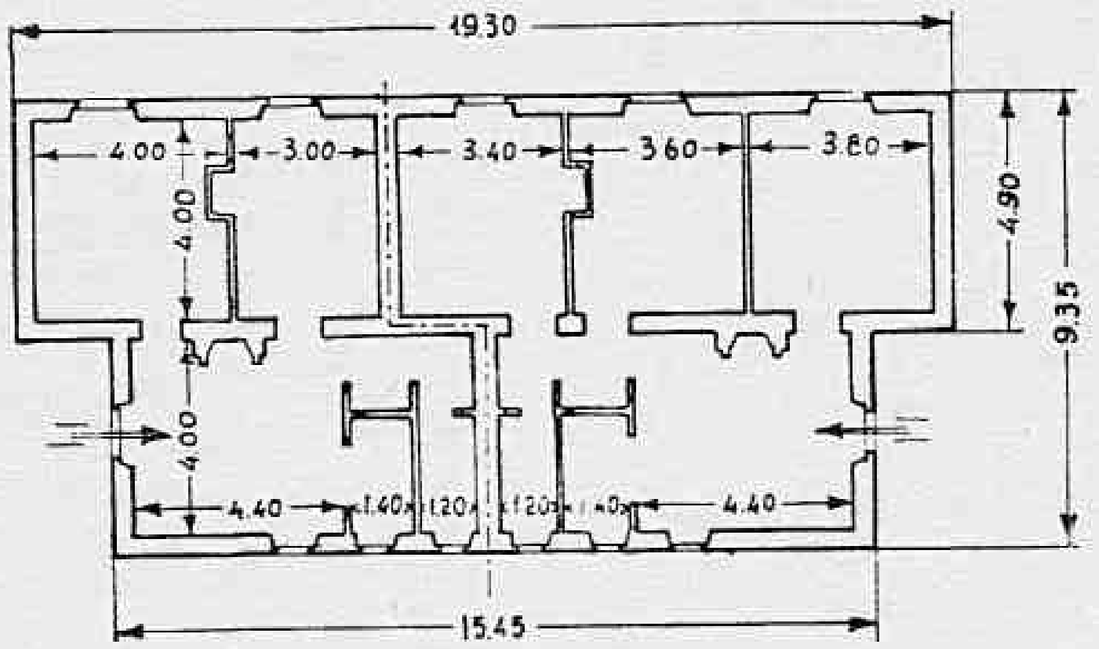


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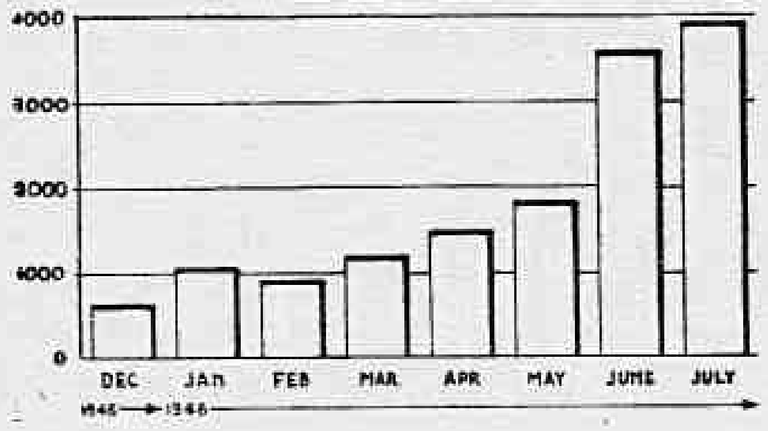
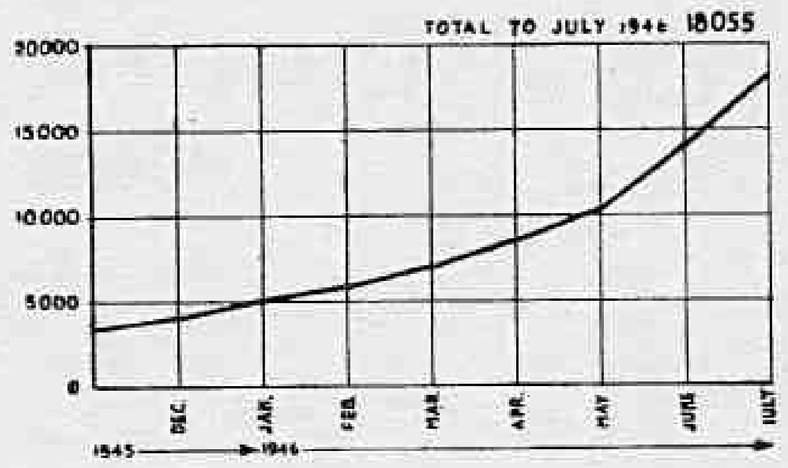
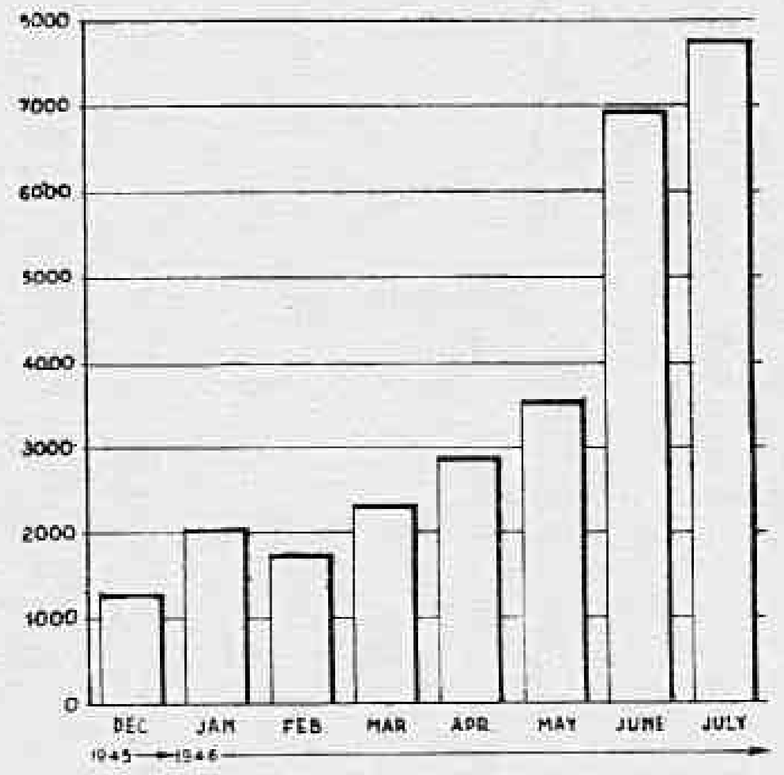
TABLE 30

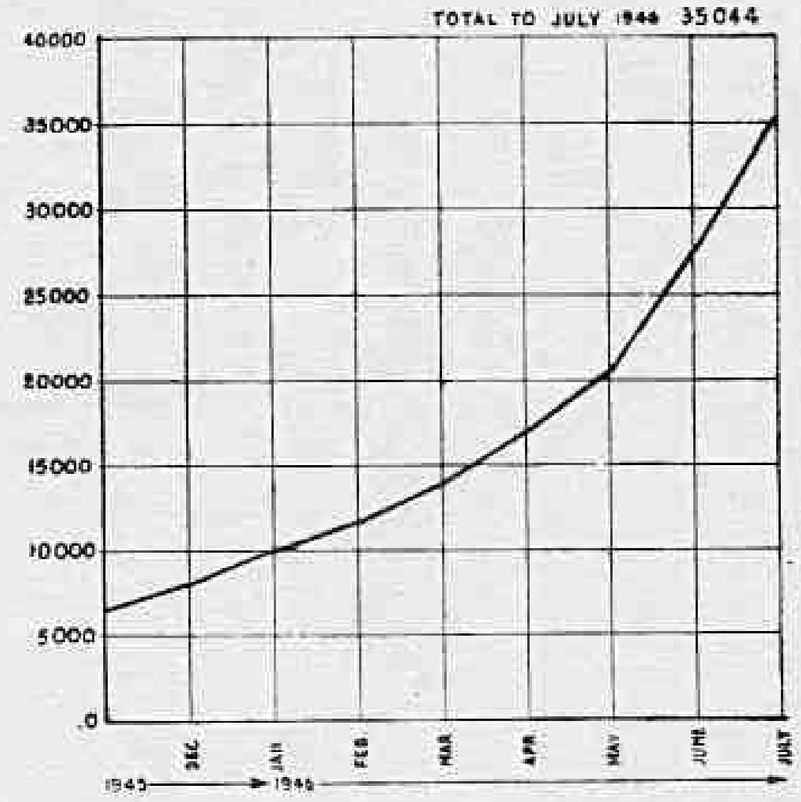
## ROOMS REPAIRED



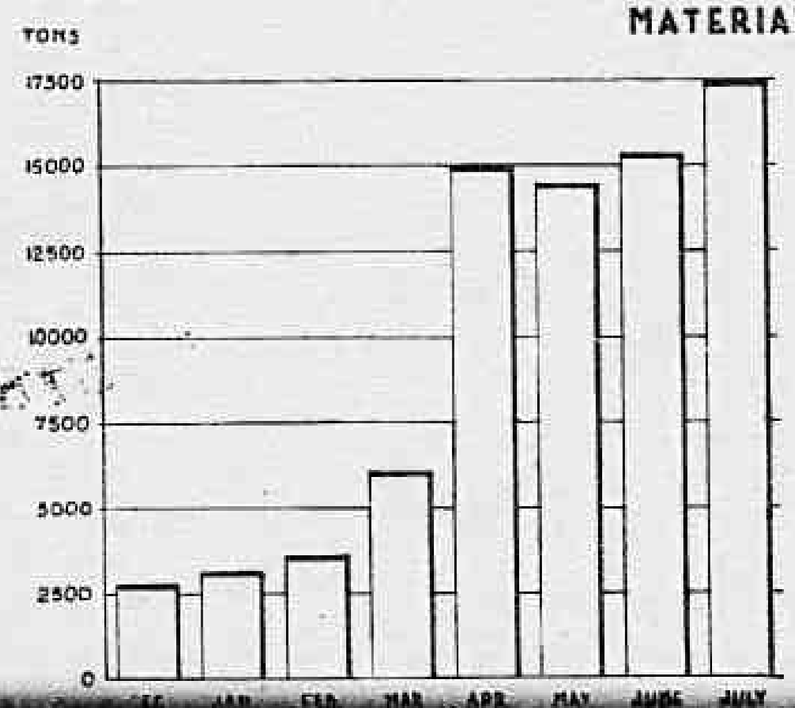



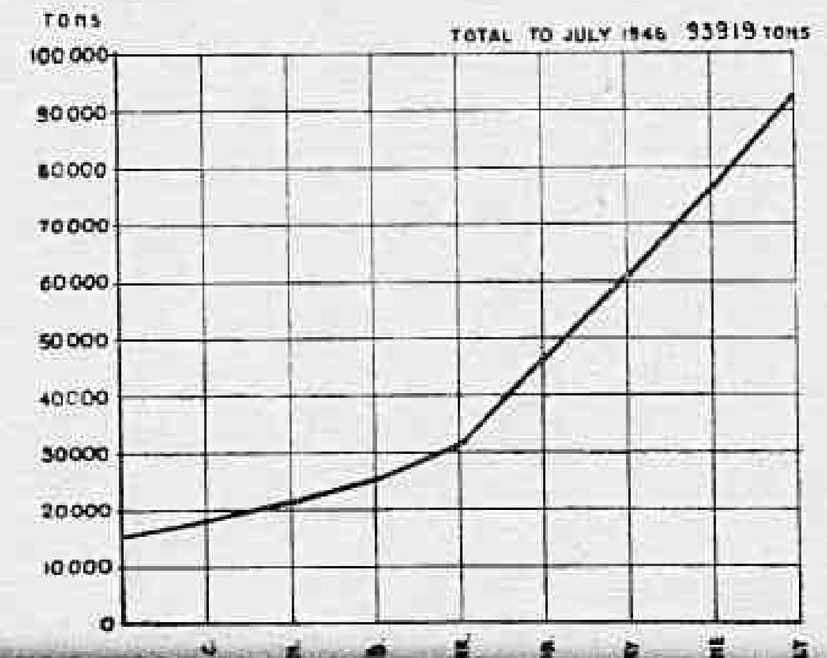

## PERSONS REHOUSED




## MATERIALS CARRIED

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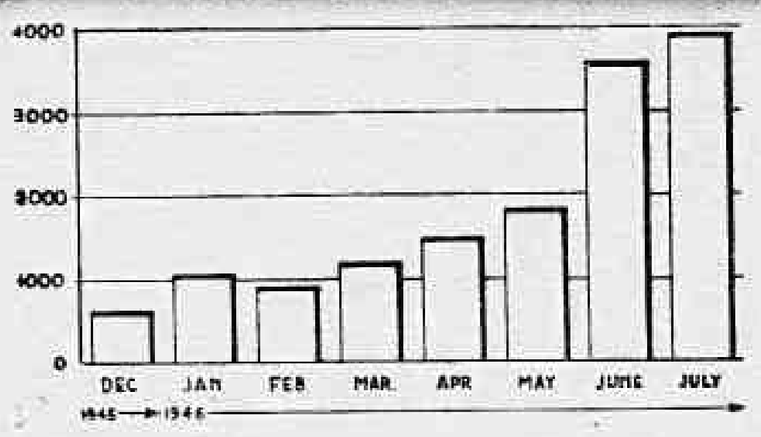
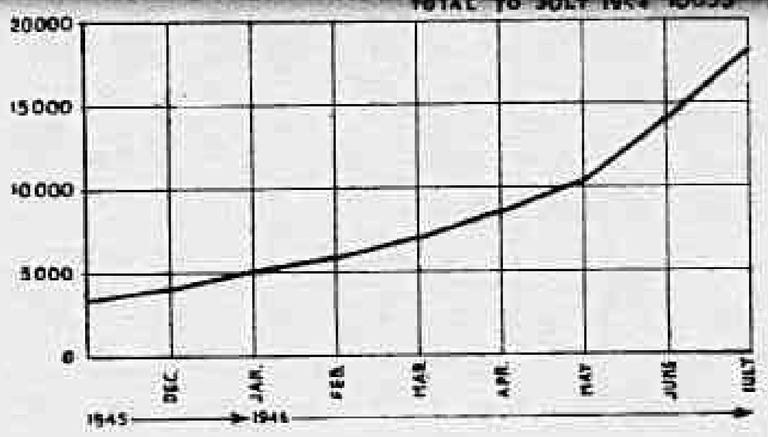
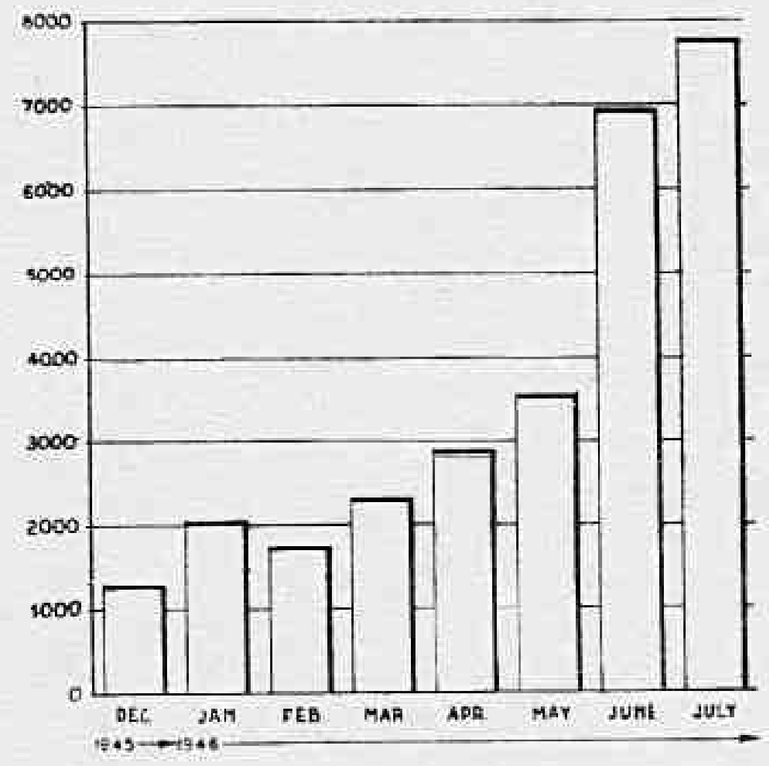
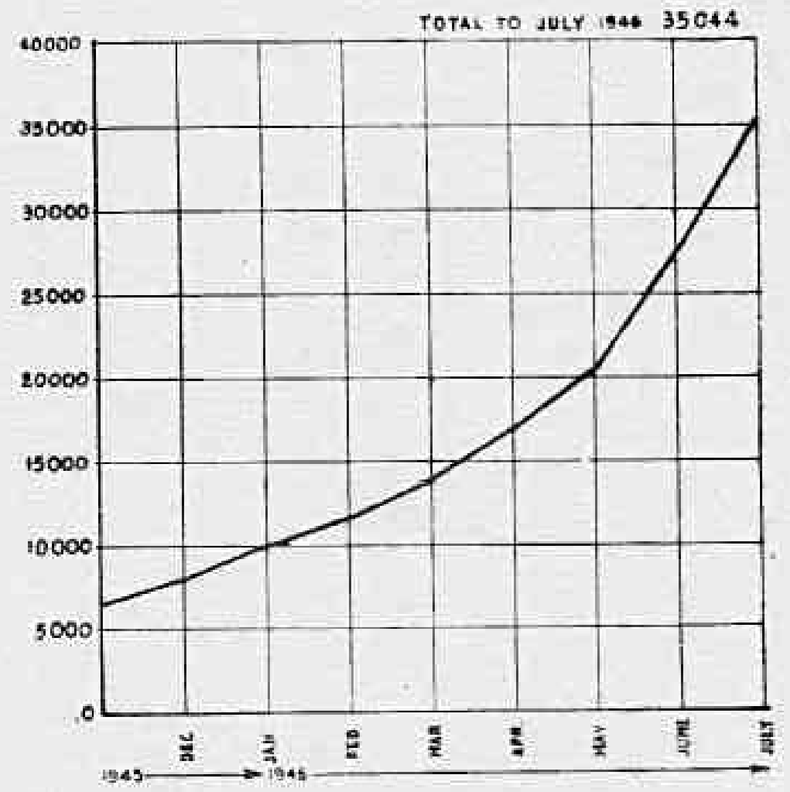


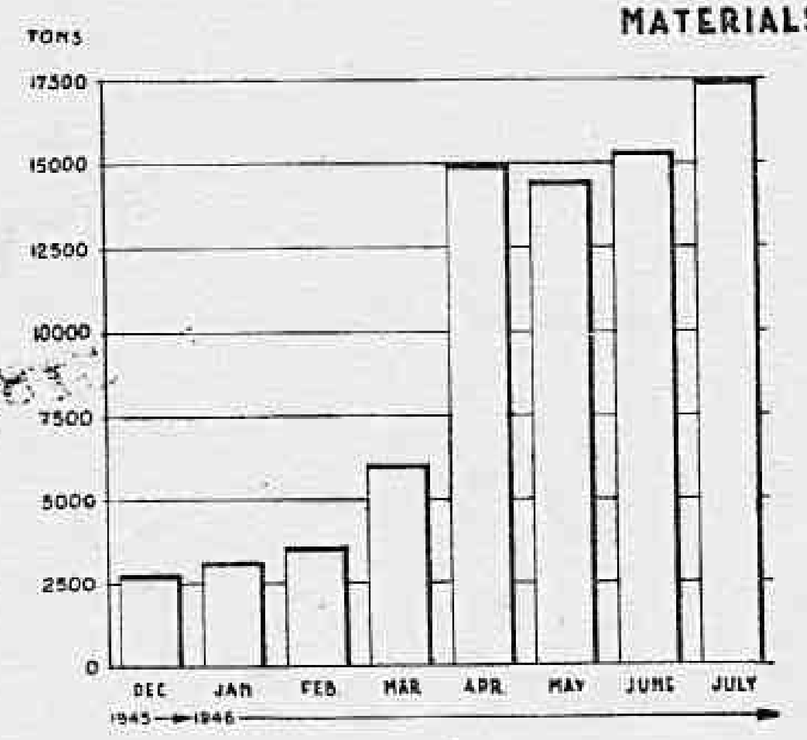



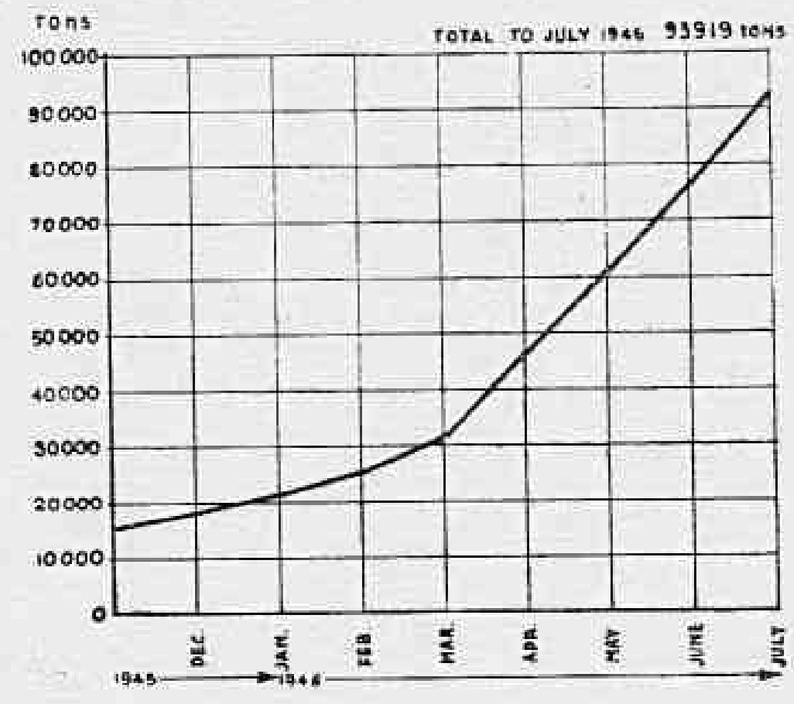

## PERSONS REHOUSED




## MATERIALS CARRIED

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173. The materials processed originate from clothing drives conducted in the United States and Canada and from military salvage procured in Italy. Work on the materials is chiefly carried out by refugees, camp or institution inmates, and other UNRRA assisted persons. Special workshops, many of them in camps, have been set up for this purpose. The project is financed by the Lira Fund and the budget is administered by a committee composed of members of UNRRA and the Italian Delegation for Relations with UNRRA. Expenditure on the project to date has been approximately 70 million lire.

174. Distribution of the processed goods (see Table 22) is planned by a committee composed of representatives from UNRRA, the Italian Delegation and the Italian Ministry of Post-War Assistance. The policy guiding the allocation is based on the desirability of relieving the most distressed areas first. With this end in view the largest quantities are given to the most needy Regions and allocation within the Regions is decided in conjunction with Provincial officials. All the articles are distributed free.

## B - *VOLUNTARY SOCIETIES* (1)

175. Since the early days of the arrival of the Allies in Italy, Voluntary Society agencies notably the British and American Red Cross, and the Friends Ambulance Unit, have been working on schemes of assistance to Italians principally through the agency and together with the Allied Commission and subsequently in close cooperation with UNRRA. These charitable organizations, with their concern for individual welfare, are able to carry out general relief measures in a more personal way than is UNRRA. The personnel working for most of these societies are provided with food and lodging but otherwise receive only a token remuneration from their societies. (e.g. personnel working with the Friends Groups are paid 1,000 lire per month).

176. Following closely upon the inception of the activities of the UNRRA Italian Mission, several voluntary societies, notably the F.A.U., the Save the Children Fund, the I.V.S.P. and the Catholic Committee for Relief Abroad, were attached to the Italian Displaced Persons Branch of the UNRRA Mission and had the major responsibility of the field work of that branch among displaced and homeless Italian civilians in Southern and the organization in the return to their homes or communes of the many thousands of persons who had either fled from or been compulsorily evacuated from the battle areas of the Southern provinces. Meanwhile the Mission had stressed the necessity of assistance in the repair and reconstruction of homes as the most effective method of resettlement for Italian displaced persons. From February 1945 there was a steady increase in the number of Voluntary Society personnel engaged on the work of repair and reconstruction which eventually culminated in the formation of the Comitato Assistenza Soccorso ai Senzatetto (CASAS). The assistance of the agencies—the F.A.U., the American Friends Society, the Brethren Service Committee and the CCRA—is still continuing, and this assistance has undoubtedly been of the greatest help towards that program.

177. The following list gives an indication of the large number of Voluntary Societies which have been operating in Italy during the past three years. The list does not differentiate between the magnitude of the work done by each Society. All these and many other bodies have contributed in diverse ways to the welfare program in Italy and their assistance to the Government and UNRRA relief has been of the utmost value.

178. List of some of the Voluntary Societies which are or have been engaged on relief operations in Italy during three years (1944-46):

1. Aiuto Cristiano
2. American Catholic Relief
3. American Friends Service Committee
4. American Joint Distribution Committee
5. American Red Cross
6. American Relief for Italy
7. Anglican Committee for Distribution of Relief in Italy
8. Brethren Committee
9. British Red Cross
10. C.A.R.E.
11. Catholic Committe for Relief Abroad
12. Conferenze Femminili
13. Conferenze Maschili
14. Dame della Carità
15. Don Suisse
16. Friends Ambulance Unit
17. International Committee of the Red Cross
18. International Students Service
19. International Rescue and Relief Service
20. International Voluntary Society for Peace

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Special workshops, many of them in camps, have been set up for this purpose. The project is financed by the Lira Fund and the budget is administered by a committee composed of members of UNRRA and the Italian Delegation for Relations with UNRRA. Expenditure on the project to date has been approximately 70 million lire.

174. Distribution of the processed goods (see Table 22) is planned by a committee composed of representatives from UNRRA, the Italian Delegation and the Italian Ministry of Post-War Assistance. The policy guiding the allocation is based on the desirability of relieving the most distressed areas first. With this end in view the largest quantities are given to the most needy Regions and allocation within the Regions is decided in conjunction with Provincial officials. All the articles are distributed free.

## II - *VOLUNTARY SOCIETIES* (1)

175. Since the early days of the arrival of the Allies in Italy, Voluntary Society agencies notably the British and American Red Cross, and the Friends Ambulance Unit, have been working on schemes of assistance to Italians principally through the agency and together with the Allied Commission and subsequently in close cooperation with UNRRA. These charitable organizations, with their concern for individual welfare, are able to carry out general relief measures in a more personal way than is UNRRA. The personnel working for most of these societies are provided with food and lodging but otherwise receive only a token remuneration from their societies. (e.g. personnel working with the Friends Groups are paid 1,000 lire per month).

176. Following closely upon the inception of the activities of the UNRRA Italian Mission, several voluntary societies, notably the F.A.U., the Save the Children Fund, the I.V.S.P. and the Catholic Committee for Relief Abroad, were attached to the Italian Displaced Persons Branch of the UNRRA Mission and had the major responsibility of the field work of that branch among displaced and homeless Italian civilians in Southern and Central Italy. They were engaged until the latter part of 1945 in a considerable assistance program of clothing distribution, of assistance to camp management, and of reconstruction of homes as the most effective method of resettlement for Italian displaced persons. From February 1945 there was a steady increase in the number of Voluntary Society personnel engaged on the work of repair and reconstruction which eventually culminated in the formation of the Comitato Assistenza Soccorso ai Senzatetto (CASAS). The assistance of the agencies—the F.A.U., the American Friends Society, the Brethren Service Committee and the CCRA—is still continuing, and this assistance has undoubtedly been of the greatest help towards that program.

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18. International Students Service
19. International Rescue and Relief Service
20. International Voluntary Society for Peace
21. Jesuit Mission
22. Jewish Relief Unit
23. Mennonite Service Unit
24. National Catholic Welfare Conference
25. Opera Nazionale Assistenza Rieducazione Morale Operai (ONARMO)

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(1) Details of the work of foreign private agencies are not included in this brief summary of the operations of Voluntary Societies.

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26. Ordine dei Cavalieri di Malta
27. Salvation Army
28. Save the Children Fund
29. Southern Baptist Convention
30. Swiss Red Cross
31. Unitarian Congregational Medical Nutrition Mission
32. Y.M.C.A.
33. Y.W.C.A.

## UNRRA DISPLACED PERSON OPERATIONS IN ITALY

UNRRA activities in Italy on behalf of non-Italian Displaced Persons differ from the general Mission program, in that the Administration is authorised to carry out direct operations, in agreement with the designated authorities, to provide for care and repatriation of the categories of Displaced Persons defined in UNRRA Resolutions. Although, in a sense, these UNRRA-assisted persons do not now represent a direct charge on the Italian economy, the Mission desires to make public basic information regarding this program, so that the limitations of UNRRA in regard to the broader problem of aliens in Italy may be more clearly understood.

### *I. Definition of Displaced Persons.*

1. United Nations nationals displaced by the war.
2. Other than United Nations nationals displaced because of racial or religious persecution or activity in favour of the United Nations.
   (Note: persons who *claim* United Nations nationality, but do not possess currently valid documents to prove it, can be eligible for assistance only if they qualify as other than United Nations nationals as in 2. above.)

### *II. Number of Displaced Persons—August 1946.*

On 28th August, 1946, there were approximately 24,000 Displaced Persons from 44 different countries receiving UNRRA care as follows:—

1. In UNRRA Camps: 8,500 (No. of Camps: 10).
2. Receiving UNRRA assistance outside of Camps:

### *III. Line of Approach Towards a Solution and the Difficulties.*

1. *Repatriation.* Encouraging people to repatriate through facilitation of contacts with member Government representatives, distribution of printed information and films regarding conditions in home country, creation in Camps of an atmosphere conducive to repatriation.
   Obstacles in the way of this are:
   (a) knowledge that economic conditions are not good in many war-devastated countries, and that UNRRA offers at least temporary security in Camps;
   (b) difficulty of getting accurate information about home conditions to the people;
   (c) fear of political or social conditions at home; and
   (d) existence of organised groups discouraging repatriation.
2. *Resettlement.* Resettlement opportunities are few. The doors of most nations in the world are closed to large numbers of new immigrants. Those unwilling to return home find the avenues to other lands blocked.
3. *Stabilisation.* The immense difficulty of developing anything like normal communities in camps where the future of the individuals is a blank wall.

### *IV. UNRRA Objectives.*

1. To encourage Displaced Persons to return to their former homes and to help them to do so by provision of transportation, rations, welfare escort, etc.
2. Failing this, to assist them in resettling themselves. (Documentation assistance, etc.).
3. To create an environment and facilities in UNRRA Camps so that life in this condition can be as constructive and positive as possible.

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## *II. Number of Displaced Persons—August 1946.*

On 28th August, 1946, there were approximately 24,000 Displaced Persons from 44 different countries receiving UNRRA care as follows:—

1. In UNRRA Camps: 8,500 (No. of Camps: 10).
2. Receiving UNRRA assistance outside of Camps: 8,000.
3. In vocational training centers sponsored by the American Joint Distribution Committee and receiving UNRRA assistance through them: 7,500.
4. Total number repatriated from January, 1944-15th July, 1946, by AC/UNRRA was 84,189.

## *III. Line of Approach Towards a Solution and the Difficulties.*

1. *Repatriation.* Encouraging people to repatriate through facilitation of contacts with member Government representatives, distribution of printed information and films regarding conditions in home country, creation in Camps of an atmosphere conducive to repatriation.
   Obstacles in the way of this are:
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2. Failing this, to assist them in resettling themselves. (Documentation assistance, etc.).
3. To create an environment and facilities in UNRRA Camps so that life in this condition can be as constructive and positive as possible.
   This means:
   (a) maintaining reasonable physical standard of housing, food and clothing;
   (b) promoting self-government;
   (c) developing educational, cultural and vocational training activities to the fullest possible extent.

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# HEALTH AND WELFARE

## PART ONE - HEALTH

### (INCLUDING POPULATION AND VITAL STATISTICS)

### *THE ITALIAN POPULATION*

(a) *Pre-War.*

1. The increase of the Italian population from 1870 to 1936 as compared with France, United Kingdom and Germany (2) is shown in Table 1.

TABLE 1

| Year | Italy | France | Gt. Britain and N. Ireland | Germany |
|---|---|---|---|---|
| a) POPULATION (in millions) | | | | |
| 1870 | 28 0 | 37.7 | 26.4 | 36.2 |
| 1900 | 33.9 | 40.7 | 38.2 | 50.6 |
| 1910 | 36.3 | 41.5 | 42.1 | 58.5 |
| 1920 | 37.9 | 39.2 | 44.0 | 59.9 |
| 1930 | 41.2 | 41.1 | 46.1 | 65.3 |
| 1936 | 42.9 | 41.9 | 47.1 | 67.2 |
| b) INDEX NUMBERS (1870 = 100) | | | | |
| 1870 | 100 | 100 | 100 | 100 |
| 1900 | 121 | 108 | 145 | 140 |
| 1910 | 130 | 110 | 159 | 162 |
| 1920 | 135 | 104 | 167 | 165 |
| 1930 | 147 | 111 | 175 | 180 |
| 1936 | 153 | 111 | 178 | 186 |

Italy, like some other European countries, has contributed, through emigration, to the increase of population on the American continent. As a result of emigration Italy's present population is less than would result from natural population surplus (births minus deaths).

From 1871 to 1936 the Italian population has increased by 14.5 million. Natural surplus would have given a population increase by 20.5 million. The net population loss by emigration amounted therefore to 6 million. (The population of the United Kingdom, Eire included, increased, from 1871 to 1931, by 18.3 million as compared with 23.2 million for natural sur-

2. Births and deaths in Italy in the average of each five year period from 1881 to 1935 have been:

TABLE 2

Average Yearly live Births and Deaths 1881 to 1935

| Five-Year Period | Figures in thousands | | | Rates per 1000 inhabitants | | |
|---|---|---|---|---|---|---|
| | Live-births | Deaths | Births over deaths | Births | Deaths | Births over deaths |
| 1881-1885 | 1,094 | 787 | 307 | 38.0 | 27.3 | 10.7 |
| 1886-1890 | 1,118 | 811 | 307 | 37.5 | 27.2 | 10.3 |
| 1891-1895 | 1,113 | 787 | 326 | 36.0 | 25.5 | 10.5 |
| 1896-1900 | 1,085 | 732 | 353 | 34.0 | 22.9 | 11.1 |
| 1901-1905 | 1,073 | 722 | 351 | 32.7 | 22.0 | 10.7 |
| 1906-1910 | 1,106 | 717 | 389 | 32.7 | 21.2 | 11.5 |
| 1911-1915 | 1,115 | 699 | 416 | 31.5 | 19.7 | 11.8 |
| 1916-1920 | 836 | 886 | –50 | 23.0 | 24.4 | –1.4 |
| 1921-1925 * | 1,145 | 669 | 476 | 29.8 | 17.4 | 12.4 |
| 1926-1930 * | 1,078 | 642 | 436 | 26.8 | 16.0 | 10.8 |
| 1931-1935 * | 1,000 | 590 | 410 | 23.8 | 14.1 | 9.7 |

* Post-war territory.

The rapid decrease of the birth rate after the first world war was not balanced by a similar decrease in the death rate: the result was a decrease of the population surplus.

The table below shows a comparison with some European countries in the decade 1921-1930 (all rates per 1.000 inhabitants):

TABLE 3

| Countries | Live-birth rates | | Death rates | | Surplus rates | |
|---|---|---|---|---|---|---|
| | 1921-25 | 1926-30 | 1921-25 | 1926-30 | 1921-25 | 1926-30 |
| Italy | 29.8 | 26.8 | 17.4 | 16.0 | 12.4 | 10.8 |
| France | 19.4 | 18.2 | 17.2 | 16.8 | 2.2 | 1.4 |
| Germany | 22.1 | 18.4 | 13.3 | 11.8 | 8.8 | 6.6 |

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| France | 19.4 | 18.2 | 17.2 | 16.8 | 2.2 | 1.4 |
| Germany | 22.1 | 18.4 | 13.3 | 11.8 | 8.8 | 6.6 |
| United Kingdom | 20.4 | 17.2 | 12.4 | 12.3 | 8.0 | 4.9 |

(1) *See Supplement to Vol. 1 No. 27 for Introduction to Survey of Italy's Economy and for Survey of Finance; No. 28 for Survey of Agriculture and Food in Italy; Nos. 30 and 31 for Survey of Italian Industry; and No. 32 for Survey of Transportation and Communications.*

(2) Frontiers as in 1936.

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September 6, 1946 Vol. I, No. 34

# ECONOMIC NOTES

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

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1. Oil Refineries Will Reopen
2. Price Controls Will Stay
3. Italy - as Britain sees her
4. Movements of Ships

## OIL REFINERIES WILL REOPEN

The reopening of Italian oil refineries at Naples, Bari, La Spezia and Porto Marghera will enable UNRRA, with the funds at present available, to purchase sufficient additional supplies of crude oil to ensure deliveries until about April, 1947. The refineries at Naples and Bari are expected to start again within the next eight weeks, and will give employment to some hundreds of Italian workers.

Although this does not involve larger monthly supplies of petroleum products, it does substantially extend the period of UNRRA assistance to the Italian petroleum industry, as a result of increasing the money available for dollar purchases of petroleum products.

### Storage Tanks Released

The Allied military authorities have agreed to release sufficient storage tanks at Naples and Bari to permit operation of the refineries. Agreements have also been reached between the Italian Government and the various companies operating in Italy on costs connected with the re-starting of the refineries, and on future policy.

The crude oil required for the first six months' operation of the refineries will be imported, and paid for, by UNRRA. The products refined in Italy will replace an emphasized—permitting of any increase whatever in the current supplies of refined petroleum products available to consumers now—or in the immediate future.

### Production Estimates

It is estimated that the Bari and Naples refineries—which will be started first—will produce monthly 50 per cent. of the gasoline, all of the kerosene and approximately 10 per cent. of the diesel and fuel-oil requirements of the UNRRA monthly program for Italy. The two refineries will operate at the full capacity of their existing equipment: Bari will handle 25,000 tons of crude oil per month, and Naples approximately 20,000 tons per month. Repairs scheduled for La Spezia and Porto Marghera plant should enable these units to receive their first allocations of crude oil for refining within three or four months.

No lubricating oils will be produced in Italy for the present, since the necessary equipment was badly damaged during the war and has not as yet been repaired.

C.I.P. (Comitato Italiano Petroli) will continue to act as agents for the Italian Government, according to present plans. They will take delivery of the crude oil landed in Italy and will be responsible for the distribution of refined products through the existing

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The crude oil required for the first six months' operation of the refineries will be imported, and paid for, by UNRRA. The products refined in Italy will replace an equivalent quantity of corresponding refined petroleum products originally scheduled for procurement in the Italian program. Owing to the lower price of crude oil, UNRRA will be able to import petroleum products in greater quantity, thus assisting the Italian import program next year, but not—it must be emphasized—permitting of any increase whatever in the current supplies of refined petroleum products available to consumers now—or in the immediate future.

### Production Estimates

It is estimated that the Bari and Naples refineries—which will be started first—will produce monthly 50 per cent. of the gasoline, all of the kerosene and approximately 10 per cent. of the diesel and fuel-oil requirements of the UNRRA monthly program for Italy. The two refineries will operate at the full capacity of their existing equipment: Bari will handle 25,000 tons of crude oil per month, and Naples approximately 20,000 tons per month. Repairs scheduled for La Spezia and Porto Marghera plant should enable these units to receive their first allocations of crude oil for refining within three or four months.

No lubricating oils will be produced in Italy for the present, since the necessary equipment was badly damaged during the war and has not as yet been repaired.

C.I.P. (Comitato Italiano Petroli) will continue to act as agents for the Italian Government, according to present plans. They will take delivery of the crude oil landed in Italy and will be responsible for the distribution of refined products through the existing channels.

### New Shipping Policy

UNRRA will shortly assume responsibility for the shipping of all petroleum products imported on the Italian program. The procedure


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for handling petroleum supplies before they become the property of the Italian authorities is thus brought into line with the system operating for all other commodities imported for Italian relief and rehabilitation.

At the beginning of operations, all petroleum products, both packed and bulk, were shipped by the Army and Navy Petroleum Board to the Commanding General, Peninsular Base Section, in Italy. On arrival in Italy, the bulk petroleum was stored in tanks, the packed petroleum in warehouses, and the Allied military authorities released quantities, as available, to C.I.P. on UNRRA account. UNRRA paid for them, as for other supplies included in the Italy program. The costs for freight and insurance were calculated proportionately to UNRRA's share of the petroleum imported.

### UNRRA Will Charter Tankers

As a step forward, approximately four months ago, UNRRA assumed responsibility for the shipment of packed petroleum products; and now, under the new procedure, tankers will be chartered by UNRRA for bulk shipments and every effort will be made by the purchasing authorities in Washington to ship supplies for UNRRA, and those (of which there are comparatively few) bought by the Italian Government, separately from supplies intended for the Allied military forces.

As with other UNRRA imports, the "Sorveglianza" Company is now checking, under a new contract, ships' cargoes on behalf of the UNRRA Italy Mission.

### Fewer Delays

The UNRRA Italy Mission is now able to request port nominations and control more adequately the movement of UNRRA-chartered tankers, and minimize delays and other possible irregularities involving extra shipping charges. Demurrage alone, the penalty for discharge at a rate under that stated in the contract with the vessel, may solution—to be achieved as often as possible under present circumstances—would be one tanker to each port.

To avoid demurrage, it is hoped that a plan will be worked out to ship all POL in tankers not exceeding 10,000 tons and a draft of 27 feet, which will enable these ships to discharge their cargoes in secondary ports, without the necessity of having a portion of the cargo removed in a large port first, to lighten the tanker.

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## PRICE CONTROLS WILL STAY

In view of renewed criticism by manufacturers and others of the Government policy of fixing prices for UNRRA-imported commodities, and unfounded reports regarding the imminent termination of those supplies, the UNRRA Italy Mission issues the following statement in regard to the functions of the Joint Price Committee, and the period during which UNRRA supplies will continue to arrive in Italy:—

The Joint Price Committee, which has already fixed the prices of a wide range of UNRRA-imported commodities, is representative both of the Italian Government and of the UNRRA Italy Mission. It operates in accordance with Article III, (d), (iii) and (iv) of the Supplementary Agreement, jointly signed by the Italian Government and the UNRRA Italy Mission in Rome on 19 January, 1946.

By the terms of Article III (d), (iii) and (iv) of the Agreement, the Government will consult with UNRRA concerning:—

"Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically":

and

"Rationing and price controls by commodity, by region and by classes of consumers for each of the commodities supplied by UNRRA."

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for Italian relief and rehabilitation.

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In pursuing its policy of maximum economy, the Mission will endeavour as far as possible to reduce the number of ports at which a tanker unloads. The fewer the ports, the lower the shipping charges; and the ideal

not exceeding 10,000 tons and a draft of 27 feet, which will enable these ships to discharge their cargoes in secondary ports, without the necessity of having a portion of the cargo removed in a large port first, to lighten the tanker.

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> "Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically":
>
> and
>
> "Rationing and price controls by commodity, by region and by classes of consumers for each of the commodities supplied by UNRRA."

### Committee's Task

The Joint Price Committee has fixed prices for only a part of the commodities so far imported by UNRRA. The Committee will continue to function until prices are fixed for all UNRRA commodities.

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Full details of their decisions are published, as they become available, in *Economic Notes*.

Approximately only 30 per cent. of the UNRRA-imported supplies, which Italy is due to receive, have so far arrived in the country. The vast bulk of the imports at present arriving at Italian ports from overseas consists of relief and rehabilitation supplies procured, and paid for, by UNRRA, and delivered free of charge to the Italian Government authorities, for sale to the Italian people in accordance with UNRRA Basic Resolution No. 7, incorporated in the original (1945) and supplementary (1946) Agreements with the Italian Government. This Resolution prescribes, *inter alia*, that "distribution of relief and rehabilitation supplies should take place under effective rationing and price controls."

### UNRRA Will Complete Program

As stated by Mr. S. M. Keeny, Chief of the UNRRA Italy Mission, on the radio from Rome, shortly after his return from the meeting of the UNRRA Fifth Council at Geneva, "UNRRA in Italy will continue until the program on which we have embarked is completed. We shall go on buying supplies until the money voted for Italy is exhausted—even though some of the supplies cannot be procured until the early months of next year. UNRRA shipments will continue to arrive in Italy throughout the first quarter of the new year—at least; but, of course, in diminishing quantities after December.

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

### Deliveries Total 5,500,000 Tons

By the end of August, Mr. Keeny continued, approximately 5,500,000 tons of UNRRA goods had arrived in Italy. Before UNRRA's work was done, it was [illegible] another 4,500,000 tons.

## ITALY - AS BRITAIN SEES HER

Under the heading, "The Truth about Food in Italy," an English newspaper, the *Northampton Independent*, of 26 July, publishes a letter from the Parliamentary Secretary to the British Ministry of Food, (Dr. Edith Summerskill), in reply to Press criticism, asking whether "Britain was not starving itself to feed a prosperous country."

In an official letter from the Ministry to Mr. R. T. Paget, Member of Parliament for Northampton, Dr. Summerskill states:—

### Food Ministry's Letter

You wrote to Mr. Strachey [Food Minister] recently and sent the enclosed newspaper cutting about the abundance of food in Italy, and asked whether we had any figures as to the amount of food there.

The present rations for the normal consumer in Italy are approximately as follow: 7 ounces (200 grams) of bread per day; 17 ounces (500 grams) of macaroni or rice per month; 6 ounces (170 grams) of edible fats per month; 7 ounces (200 grams) of sugar per month (if available); 17 ounces (500 grams) of salt per month (if available). [See Note below.]

The official rations provide only some 700 calories a day. They must, therefore, be supplemented by purchases on the free market, since otherwise life cannot be maintained. Meat, cheese and butter are not rationed and may be freely bought in the shops, but prices are too high for the poorer consumers to buy much. Indeed, the shops are well-stocked with these commodities precisely because they are not purchased by the masses.

Workers already spend three-quarters of their wages on food without buying expensive items.

Official estimates of home production in Italy of meat, cheese and butter in 1945-6 are (in metric tons): 362,000 tons of meat; 112,000 tons of cheese; 25,000 tons of butter.

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## Food in Italy

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Official estimates of home production in Italy of meat, cheese and butter in 1945-6 are (in metric tons): 362,000 tons of meat; 112,000 tons of cheese; 25,000 tons of butter.

### Rationing Problem

If it were possible to carry out a complete collection and equal distribution of these commodities among the population of 46,000,000 people, the resulting supplies per head would amount to only about 23.4 ounces (663.4

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grams) of meat, 7.2 ounces (204.1 grams) of cheese and 1.6 ounces (45.4 grams) of butter per month.

Apart from the free market there is no doubt an active black market. His Majesty's Government, however, can take no direct action to interfere in this. The responsibility for supplies of imports of foodstuffs into Italy lies with UNRRA, which hands the stocks over to the national government for distribution.

There is no evidence that the food allocated by UNRRA for distribution in Italy forms the basis of the black market there. Supplies in the black market are generally derived from hoarded reserves, which can be held back because, owing to disorganized administration or destruction of transport, it has not been possible to enforce regulations.

*Yours sincerely*
EDITH SUMMERSKILL

Ministry of Food,
Montagu House,
Whitehall, London, S.W.1.

[Note: The figures quoted by Dr. Summerskill in regard to rations and food availability date from *before* the harvest. While the position has improved considerably in recent weeks, and the value of the standard ration is now about 1,000 calories, the food situation in Italy is, in broad outline, still as Dr. Summerskill describes it.]

## "ECONOMIC SURVEY" SUPPLEMENT

*The Supplement with this issue of* Economic Notes *is on Health and Welfare. Previous supplements have been published as follows:—Issue No. 27 (19 July) Introduction, and Finance; Issue No. 28 (26 July) Agriculture and Food; Issue No. 30 (9 August) Industry—Part I; Issue No. 31 (16 August) Industry—Part II; Issue No. 32 (23 August) Transportation and Communications. No supplements were published with issues No. 29 (2 August) and No. 33 (30 August).*

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# MOVEMENTS OF SHIPS

## CARGOES OTHER THAN COAL

(AUGUST 24 - 31 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | ACCOUNT | CARGO | TONS |
|---|---|---|---|---|---|
| British Scout (1) | La Spezia | 23 August | UNRRA | Minerals | 1,900 |
| S. M. Shoemaker | Messina | 24 » | » | Wheat | 9,000 |
| | Palermo | 31 » | » | » | |
| Fossarus | La Spezia | 25 » | » | Minerals | 2,370 |
| Morris Sigman | Naples | 26 » | UNRRA | General | 1,754 |
| | | | It. Program | » | 470 |
| | Genoa | 31 » | UNRRA | » | 4,000 |
| African Reefer | Naples | 26 » | » | » | 1,678 |
| Tropic Star | Genoa | 27 » | UNRRA (Italy-Yugoslavia) | » | 5,509 |
| Panaghis | » | 28 » | SWISS | Cereals | 7,400 |
| Sue Lykes | » | » » | UNRRA | General | 449 |
| Chester Valley (2) | Venice | » » | » | » | 6,029 |
| Bienville (3) | Ancona | 29 » | » | » | 5,349 |
| Cattaro | Genoa | 31 » | » | » | 2,500 |
| Marpessa | » | » » | SWISS | Cereals | 7,886 |
| Hoegh Silverstar | Naples | » » | UNRRA | General | 5,074 |

(1) Advice received too late for inclusion in last week's shipping list — (2) Also discharged at Trieste — (3) Also discharged at Trieste.

## LATEST COAL SHIPMENTS

(AUGUST 25 - 31 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | COUNTRY OF ORIGIN | ACCOUNT | TONS |
|---|---|---|---|---|---|
| Akenside | Savona | 25 August | Germany | UNRRA | 7,039 |
| James R. Wells | » | » » | U. S. A. | » | 8,858 |
| Empire Harmony | Naples | » » | Germany | » | 3,954 |
| West Cusseta (1) | Ancona | » » | U. S. A. | » | 4,778 |
| Casper S. Yost | Venice | 26 » | » | » | 8,585 |
| Matthew P. Deady | Brindisi | » » | » | » | 8,666 |
| Charles D. Walcott | Catania | » » | » | » | 8,396 |
| | Reggio Calabria | 30 » | » | » | |
| Marie | Savona | 27 » | Germany | » | 2,052 |
| Empire Tees | Genoa | » » | » | » | 3,824 |
| Rufus Choate | » | » » | U. S. A. | » | 8,878 |
| Josiah Tattnall | » | » » | » | » | 9,274 |
| Nicolaos G. Culucundis | Savona | 28 » | TURKEY | SWISS | 4,836 |
| Robert L. Paine | Genoa | » » | U. S. A. | UNRRA | 8,053 |
| Tintern Abbey | » | » » | Germany | » | 3,796 |
| Noah Webster (2) | Piombino | » » | U. S. A. | » | 4,600 |
| George D. Prentice | Bagnoli | » » | » | » | 8,625 |
| Charles Goodyear | Catania | » » | » | » | 7,647 |
| Edward Rutledge | Palermo | » » | » | » | 8,954 |
| Dunav | Genoa | 29 » | Germany | » | 6,800 |
| Charles H. Herty | Bari | » » | U. S. A. | » | 7,889 |
| Russell Sage | Venice | » » | » | » | 8,633 |
| Louis D. Brandeis (3) | Ancona | » » | » | » | 4,500 |
| Terre Haute Victory | Cagliari | » » | » | » | 8,270 |
| Dante | Genoa | 30 » | » | » | 7,296 |
| John P. Harris (4) | Leghorn | » » | U. S. A. | UNRRA | 4,539 |
| Sveti Duje | Venice | » » | Yugoslavia | Commercial | 5,100 |
| | | » » | U. S. A. | UNRRA | 3,835 |

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| William K. Kamaka | » | » » | U. S. A. | UNRRA | 3,835 |
| Casimir Pulaski | » | » » | » | » | 8,204 |
| Joseph N. Teal | Civitavecchia | 31 » | » | » | 8,144 |
| Baron Haig | Bagnoli | » » | Germany | » | 5,111 |
| William Windom | Palermo | » » | U. S. A. | » | 8,185 |
| Fort Orange | Venice | » » | » | » | 8,853 |
| William Carson | » | » » | » | » | 8,413 |

(1) Also discharged at Venice — (2) Also discharged at Genoa — (3) Also discharged at Venice — (4) Also discharged at Genoa and not Leghorn, as previously stated.

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# HEALTH AND WELFARE

## PART ONE - HEALTH

### (INCLUDING POPULATION AND VITAL STATISTICS)

### *THE ITALIAN POPULATION*

(a) *Pre-War.*

1. The increase of the Italian population from 1870 to 1936 as compared with France, United Kingdom and Germany (2) is shown in Table 1.

TABLE 1

| Year | Italy | France | Gt. Britain and N. Ireland | Germany |
|---|---|---|---|---|
| a) POPULATION (in millions) | | | | |
| 1870 | 28.0 | 37.7 | 26.4 | 36.2 |
| 1900 | 33.9 | 40.7 | 38.2 | 50.6 |
| 1910 | 36.3 | 41.5 | 42.1 | 58.5 |
| 1920 | 37.9 | 39.2 | 44.0 | 59.9 |
| 1930 | 41.2 | 41.1 | 46.1 | 65.3 |
| 1936 | 42.9 | 41.9 | 47.1 | 67.2 |
| b) INDEX NUMBERS (1870 = 100) | | | | |
| 1870 | 100 | 100 | 100 | 100 |
| 1900 | 121 | 108 | 145 | 140 |
| 1910 | 130 | 110 | 159 | 162 |
| 1920 | 135 | 104 | 167 | 165 |
| 1930 | 147 | 111 | 175 | 180 |
| 1936 | 153 | 111 | 178 | 186 |

Italy, like some other European countries, has contributed, through emigration, to the increase of population on the American continent. As a result of emigration Italy's present population is less than would result from natural population surplus (births minus deaths).

From 1871 to 1936 the Italian population has increased by 14.5 million. Natural surplus would have given a population increase by 20.5 million. The net population loss by emigration amounted therefore to 6 million. (The population of the United Kingdom, Eire included, increased, from 1871 to 1931, by 18.3 million as compared with 23.2 million for natural sur-

2. Births and deaths in Italy in the average of each five year period from 1881 to 1935 have been:

TABLE 2

Average Yearly live Births and Deaths 1881 to 1935

| Five-Year Period | Figures in thousands | | | Rates per 1000 inhabitants | | |
|---|---|---|---|---|---|---|
| | Live-births | Deaths | Births over deaths | Births | Deaths | Births over deaths |
| 1881-1885 | 1,094 | 787 | 307 | 38.0 | 27.3 | 10.7 |
| 1886-1890 | 1,118 | 811 | 307 | 37.5 | 27.2 | 10.3 |
| 1891-1895 | 1,113 | 787 | 326 | 36.0 | 25.5 | 10.5 |
| 1896-1900 | 1,085 | 732 | 353 | 34.0 | 22.9 | 11.1 |
| 1901-1905 | 1,073 | 722 | 351 | 32.7 | 22.0 | 10.7 |
| 1906-1910 | 1,106 | 717 | 389 | 32.7 | 21.2 | 11.5 |
| 1911-1915 | 1,115 | 699 | 416 | 31.5 | 19.7 | 11.8 |
| 1916-1920 | 836 | 886 | -50 | 23.0 | 24.4 | -1.4 |
| 1921-1925 * | 1,145 | 669 | 476 | 29.8 | 17.4 | 12.4 |
| 1926-1930 * | 1,078 | 642 | 436 | 26.8 | 16.0 | 10.8 |
| 1931-1935 * | 1,000 | 590 | 410 | 23.8 | 14.1 | 9.7 |

* Post-war territory.

The rapid decrease of the birth rate after the first world war was not balanced by a similar decrease in the death rate: the result was a decrease of the population surplus.

The table below shows a comparison with some European countries in the decade 1921-1930 (all rates per 1,000 inhabitants):

TABLE 3

| Countries | Live-birth rates | | Death rates | | Surplus rates | |
|---|---|---|---|---|---|---|
| | 1921-25 | 1926-30 | 1921-25 | 1926-30 | 1921-25 | 1926-30 |
| Italy | 29.8 | 26.8 | 17.4 | 16.0 | 12.4 | 10.8 |
| France | 19.4 | 18.2 | 17.2 | 16.8 | 2.2 | 1.4 |
| Germany | 22.1 | 18.4 | 13.3 | 11.8 | 8.8 | 6.6 |

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| 1930 | 147 | 111 | 175 | 180 |
| 1936 | 153 | 111 | 178 | 186 |

Italy, like some other European countries, has contributed, through emigration, to the increase of population on the American continent. As a result of emigration Italy's present population is less than would result from natural population surplus (births minus deaths).

From 1871 to 1936 the Italian population has increased by 14.5 million. Natural surplus would have given a population increase by 20.5 million. The net population loss by emigration amounted therefore to 6 million. (The population of the United Kingdom, Eire included, increased, from 1871 to 1931, by 18.3 million as compared with 23.2 million for natural surplus: the net loss for emigration amounted therefore to 4.9 million.)

2. Births and deaths in Italy in the average of each five year period from 1881 to 1935 have been:

TABLE 2

Average Yearly live Births and Deaths 1881 to 1935

| Five-Year Period | Figures in thousands | | | Rates per 1000 inhabitants | | |
|---|---|---|---|---|---|---|
| | Live-births | Deaths | Births over deaths | Births | Deaths | Births over deaths |
| 1881-1885 | 1,094 | 787 | 307 | 38.0 | 27.3 | 10.7 |
| 1886-1890 | 1,118 | 811 | 307 | 37.5 | 27.2 | 10.3 |
| 1891-1895 | 1,113 | 787 | 326 | 36.0 | 25.5 | 10.5 |
| 1896-1900 | 1,085 | 732 | 353 | 34.0 | 22.9 | 11.1 |
| 1901-1905 | 1,073 | 722 | 351 | 32.7 | 22.0 | 10.7 |
| 1906-1910 | 1,106 | 717 | 389 | 32.7 | 21.2 | 11.5 |
| 1911-1915 | 1,115 | 699 | 416 | 31.5 | 19.7 | 11.8 |
| 1916-1920 | 836 | 886 | −50 | 23.0 | 24.4 | −1.4 |
| 1921-1925 * | 1,145 | 669 | 476 | 29.8 | 17.4 | 12.4 |
| 1926-1930 * | 1,078 | 642 | 436 | 26.8 | 16.0 | 10.8 |
| 1931-1935 * | 1,000 | 590 | 410 | 23.8 | 14.1 | 9.7 |

* Post-war territory.

The rapid decrease of the birth rate after the first world war was not balanced by a similar decrease in the death rate: the result was a decrease of the population surplus.

The table below shows a comparison with some European countries in the decade 1921-1930 (all rates per 1,000 inhabitants):

TABLE 3

| Countries | Live-birth rates | | Death rates | | Surplus rates | |
|---|---|---|---|---|---|---|
| | 1921-25 | 1926-30 | 1921-25 | 1926-30 | 1921-25 | 1926-30 |
| Italy | 29.8 | 26.8 | 17.4 | 16.0 | 12.4 | 10.8 |
| France | 19.4 | 18.2 | 17.2 | 16.8 | 2.2 | 1.4 |
| Germany | 22.1 | 18.4 | 13.3 | 11.8 | 8.8 | 6.6 |
| United Kingdom | 20.4 | 17.2 | 12.4 | 12.3 | 8.0 | 4.9 |

(1) *See Supplement to Vol. 1 No. 27 for Introduction to Survey of Italy's Economy and for Survey of Finance; No. 28 for Survey of Agriculture and Food in Italy; Nos. 30 and 31 for Survey of Italian Industry; and No. 32 for Survey of Transportation and Communications.*

(2) Frontiers as in 1936.

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*Infant Mortality.*

3. The infant mortality rate (deaths under one year of age per 1,000 live births), in Italy has shown a substantial reduction in the period 1881 to 1935, as the following figures indicate:

Infant mortality in Italy: 1881-1910

| | | | |
|---|---|---|---|
| 1881–1885 | 195.1 | 1911–1915 | 141.2 |
| 1886–1890 | 195.2 | 1916–1920 | 152.4 |
| 1891–1895 | 184.7 | 1921–1925 | 127.0 |
| 1896–1900 | 168.5 | 1926–1930 | 119.4 |
| 1901–1905 | 167.7 | 1931–1935 | 104.7 |
| 1906–1910 | 152.9 | | |

As compared with some other European countries, the infant mortality rate in Italy is high. The figures are:

Infant mortality pre-war in four European countries

| Years | Italy | France | Germany | United Kingdom |
|---|---|---|---|---|
| | Deaths under 1 year per 1,000 live births | | | |
| 1871–75 | 219 (1) | 177 (2) | 244 (3) | 153 (4) |
| 1901–1905 | 168 | 149 | 199 | 138 (4) |
| 1926–1930 | 119 | 89 | 94 | 70 |
| 1938 | 106 | 65 | 60 | 55 |

(1) 1872–75 – (2) 1866–1875 – (3) 1896–1905 – (4) England & Wales.

The Netherlands had the lowest infant mortality rate in Europe (36 deaths under one year of age per 1,000 live births in 1938). In 1938, the infant mortality rate in the United States was 51.

4. The sex ratio (males per 1,000 females) has gradually decreased in Italy, as well as in the largest European countries, due largely to male emigration and to war deaths.

TABLE 4

Males per 1000 females in Italy as compared with some other countries: 1871 to 1931

5. The classification (1) of the Italian population in three main age groups (pre-reproductive age, 0-14 years; reproductive age, 15-49 years; post-reproductive age, 50 years and over) is as follows:

| Age groups | Censuses of: | | |
|---|---|---|---|
| | 1871 | 1911 | 1936 |
| | Percentages | | |
| 0 — 14 | 32.5 | 33.8 | 30.6 |
| 15 — 49 | 50.4 | 46.9 | 49.6 |
| 50 and more | 17.1 | 19.3 | 19.8 |
| | 100.0 | 100.0 | 100.0 |

The percentages for some other counries are as follows:

| Year | | Age groups: | | |
|---|---|---|---|---|
| | | 0–14 | 15–49 | 50 years |
| Italy | 1931 | 29.7 | 50 9 | 19.4 |
| France | 1931 | 22.9 | 51.4 | 25.7 |
| Germany | 1933 | 24.2 | 54.0 | 21.8 |
| Gt. Britain | 1931 | 24.2 | 53.2 | 22.6 |
| U. S. A. | 1930 | 29.4 | 53.3 | 17.3 |
| U. S. S. R. | 1926 | 37.2 | 49.7 | 13.1 |

6. The collection in Italy of data on population was discontinued after July 1943 and it has not yet been possible to resume it completely for the whole national territory. For the post-war years, it is necessary to resort to approximate estimates and to data and coefficients for a part only of the population.

(1) Thus can be estimated roughly (as proposed by Sundbärg) whether the population is « progressive », « stagnant » or « regressive ». The progressive type had, by Sundbärg's definition, 40 per cent or more in the pre-reproductive (0–14 years) phase; 50 per cent in the reproducer-worker phase (between 15 and 50 years of age) and 10 per cent or fewer in the post-reproductive phase (50 years and over). For the stagnant type the corresponding percentages were 33–50–17, and for the regressive type 20 (or fewer) – 50–30 (or more).

According to this classification, Italy's population is of the stagnant type; it is still far from the regressive type, even if it shows a certain trend to becoming old (decrease of the pre-reproductive population and increase of the senile population).

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Infant mortality in Italy: 1881-1910

| | | | |
|---|---|---|---|
| 1881–1885 | 195.1 | 1911–1915 | 141.2 |
| 1886–1890 | 195.2 | 1916–1920 | 152.4 |
| 1891–1895 | 184.7 | 1921–1925 | 127.0 |
| 1896–1900 | 168.5 | 1926–1930 | 119.4 |
| 1901–1905 | 167.7 | 1931–1935 | 104.7 |
| 1906–1910 | 152.9 | | |

As compared with some other European countries, the infant mortality rate in Italy is high. The figures are:

Infant mortality pre-war in four European countries

| Years | Italy | France | Germany | United Kingdom |
|---|---|---|---|---|
| Deaths under 1 year per 1,000 live births | | | | |
| 1871–75 | 219 (1) | 177 (2) | 244 (3) | 153 (4) |
| 1901–1905 | 168 | 149 | 199 | 138 (4) |
| 1926–1930 | 119 | 89 | 94 | 70 |
| 1938 | 106 | 65 | 60 | 55 |

(1) 1872–75 – (2) 1866–1875 – (3) 1896–1905 – (4) England & Wales.

The Netherlands had the lowest infant mortality rate in Europe (36 deaths under one year of age per 1,000 live births in 1938). In 1938, the infant mortality rate in the United States was 51.

4. The sex ratio (males per 1,000 females) has gradually decreased in Italy, as well as in the largest European countries, due largely to male emigration and to war deaths.

TABLE 4

Males per 1000 females in Italy as compared with some other countries: 1871 to 1931

| Year | Italy | France | Germany | United Kingdom | U.S.A. |
|---|---|---|---|---|---|
| 1871 | 1,011 | 992 | 962 | 944 | 1,022 |
| 1911 | 964 | 966 | 974 | 937 | 1,060 |
| 1931 | 957 | 934 | 937 | 920 | 1,025 |

| Age groups | 1871 | 1911 | 1936 |
|---|---|---|---|
| | Percentages | | |
| 0 — 14 | 32.5 | 33.8 | 30.6 |
| 15 — 49 | 50.4 | 46.9 | 49.6 |
| 50 and more | 17.1 | 19.3 | 19.8 |
| | 100.0 | 100.0 | 100.0 |

The percentages for some other counries are as follows:

| Year | | Age groups: 0–14 | 15–49 | 50 years |
|---|---|---|---|---|
| Italy | 1931 | 29.7 | 50.9 | 19.4 |
| France | 1931 | 22.9 | 51.4 | 25.7 |
| Germany | 1933 | 24.2 | 54.0 | 21.8 |
| Gt. Britain | 1931 | 24.2 | 53.2 | 22.6 |
| U. S. A. | 1930 | 29.4 | 53.3 | 17.3 |
| U. S. S. R. | 1926 | 37.2 | 49.7 | 13.1 |

6. The collection in Italy of data on population was discontinued after July 1943 and it has not yet been possible to resume it completely for the whole national territory. For the post-war years, it is necessary to resort to approximate estimates and to data and coefficients for a part only of the population.

(1) Thus can be estimated roughly (as proposed by Sundbärg) whether the population is «progressive», «stagnant» or «regressive». The progressive type had, by Sundbärg's definition, 40 per cent or more in the pre-reproductive (0–14 years) phase; 50 per cent in the reproducer-worker phase (between 15 and 50 years of age) and 10 per cent or fewer in the post-reproductive phase (50 years and over). For the stagnant type the corresponding percentages were 33–50–17, and for the regressive type 20 (or fewer) – 50–30 (or more).

According to this classification, Italy's population is of the stagnant type; it is still far from the regressive type, even if it shows a certain trend to becoming old (decrease of the pre-reproductive population and increase of the senile population).

If the Raymond Pearl «generation index» (1000 multiplied by the quotient between the number of persons in the pre-reproductive population – *generale* of the population – and the number of persons in the reproductive population - *generant* of the population) is taken into account, that index for Italy increased from 644 in 1871 to 718 in 1911, falling afterwards rapidly to 617 in 1936.

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*Population Estimates.*

(b) *After the War.*

7. It is estimated that the Italian population amounted to about 46 million on 1 July 1946. This figure was calculated from the last census (1936) by adding immigrants and the number of people born each year, and subtracting emigrants and the number of people who died each year. Allowance was also made for the number of civilian and military personnel who were killed during the war and consideration was given to Italian prisoners of war not repatriated and the number of foreign displaced persons in Italy.

8. A calculation of the civilian population may also be made from the ration cards which have been issued. The following figures are for sugar ration cards, to which all civilians are entitled.

Number of sugar ration cards issued in Italy: 1941-46
(Venezia Giulia excluded)

| | | |
|---|---|---|
| February | 1941 | 41,429,862 |
| January | 1942 | 41,636,090 |
| January | 1943 | 42,125,024 |
| March | 1946 | 45,427,040 |
| July | 1946 | 45,603,972 |

9. On 1 July 1946 Armed Forces and Carabinieri amounted to about 200,000 and prisoners of war not yet repatriated to about 170,000. Total population as from ration cards was, therefore, on that date about 46 million without Venezia Giulia. Allowing approximately 1 million for Venezia Giulia (997,257 in census of 21 April 1936), this calculation gives a slightly higher figure than the census estimate above. The difference may be accounted for partly by the currency of false ration cards, and partly by the normal delay in cancellations of cards following deaths. The figure in para. 7 is therefore considered to be a reasonable estimate.

*Demographic Rates.*

10. It is not possible to calculate the rates of marriages, births and deaths per 1,000 inhabitants by years over the whole of Italy since exact population figures by areas are not available. The changes which obviously took place in the central age groups (soldiers, prisoners of war and war dead) will affect any comparison made

The number of ration cards issued in large cities is not really indicative, because many holders of these cards are authorized to use them in cities other than the one in which they were issued. From the few figures available the approximate trends can however be shown.

*Marriages, Births and Deaths.*

12. Vital statistics bureaux are not as yet working satisfactorily, because there are many towns in which these bureaux were completely destroyed. Data on number of deaths in the Armed Services during the war years are also missing. It is estimated that there were about 300,000 deaths, although the actual number in each year is not known.

13. Official statistics give complete data for towns of more than 50,000 inhabitants. The figures in Table 5 relate to 69 towns having an aggregate population equal to 25 % of the total population in the country.

TABLE 5

Births and Deaths in Italian Towns of more than 50,000 Inhabitants

| Years | Marriages | Born Alive | Deaths | Excess of Births Over Deaths (1) |
|---|---|---|---|---|
| 1935-39 | 81,483 | 225,518 | 153,741 | + 71,777 |
| 1940 | 88,411 | 250,946 | 161,217 | + 89,729 |
| 1941 | 82,815 | 235,311 | 170,017 | + 65,294 |
| 1942 | 83,406 | 231,310 | 186,022 | + 45,288 |
| 1943 (2) | 60,339 | 173,598 | 181,242 | — 7,704 |
| 1944 (2) | 59,523 | 173,110 | 186,502 | — 13,392 |
| 1945 (2) | 79,034 | 195,716 | 169,248 | + 26,468 |
| First quarter 1945 (2) | 13,606 | 50,850 | 52,111 | — 1,261 |
| First quarter 1946 (2) | 19,227 | 66,503 | 43,095 | + 23,408 |

(1) Deaths in the Armed Services in war are not included in the figures for the years from 1940 on.

(2) Provisional the first quarter figures are given for the purpose of comparison.

14. There was a fall in the demographic situation up to 1944 in the towns under consideration (decrease in marriage and born alive figures, increase in death figures). In 1945 there was a recovery though the pre-war level was still much above these figures. The

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migrants and the number of people born each year, and subtracting emigrants and the number of people who died each year. Allowance was also made for the number of civilian and military personnel who were killed during the war and consideration was given to Italian prisoners of war not repatriated and the number of foreign displaced persons in Italy.

8. A calculation of the civilian population may also be made from the ration cards which have been issued. The following figures are for sugar ration cards, to which all civilians are entitled.

Number of sugar ration cards issued in Italy: 1941-46
(Venezia Giulia excluded)

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| March | 1946 | 45,427,040 |
| July | 1946 | 45,603,972 |

9. On 1 July 1946 Armed Forces and Carabinieri amounted to about 200,000 and prisoners of war not yet repatriated to about 170,000. Total population as from ration cards was, therefore, on that date about 46 million without Venezia Giulia. Allowing approximately 1 million for Venezia Giulia (997,257 in census of 21 April 1936), this calculation gives a slightly higher figure than the census estimate above. The difference may be accounted for partly by the currency of false ration cards, and partly by the normal delay in cancellations of cards following deaths. The figure in para. 7 is therefore considered to be a reasonable estimate.

*Demographic Rates.*

10. It is not possible to calculate the rates of marriages, births and deaths per 1,000 inhabitants by years over the whole of Italy since exact population figures by areas are not available. The changes which obviously took place in the central age groups (soldiers, prisoners of war and war dead) will affect any comparison made with pre-war figures.

11. Considering small areas such as regions, provinces and large cities, the difficulty of assessing variations in population is increased owing to the entrance of unregistered emigrants during the war period, and the exodus of old people and children from large cities.

*Marriages, Births and Deaths.*

12. Vital statistics bureaux are not as yet working satisfactorily, because there are many towns in which these bureaux were completely destroyed. Data on number of deaths in the Armed Services during the war years are also missing. It is estimated that there were about 300,000 deaths, although the actual number in each year is not known.

13. Official statistics give complete data for towns of more than 50,000 inhabitants. The figures in Table 5 relate to 69 towns having an aggregate population equal to 25 % of the total population in the country.

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| 1942 | 83,406 | 231,310 | 186,022 | + 45,288 |
| 1943 (2) | 80,339 | 173,538 | 181,242 | — 7,704 |
| 1944 (2) | 59,523 | 173,110 | 186,502 | — 13,392 |
| 1945 (2) | 79,034 | 195,716 | 169,248 | + 26,468 |
| First quarter 1945 (2) | 13,806 | 50,850 | 52,111 | — 1,261 |
| First quarter 1946 (2) | 19,227 | 66,503 | 43,095 | + 23,408 |

(1) Deaths in the Armed Services in war are not included in the figures for the years from 1940 on.

(2) Provisional the first quarter figures are given for the purpose of comparison.

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14. There was a fall in the demographic situation up to 1944 in the towns under consideration (decrease in marriage and born alive figures, increase in death figures). In 1945 there was a recovery though the pre-war level was still much above these figures. The population deficits appearing for 1943 and 1944 are smaller than the real ones since the above figures do not include deaths in the Armed Services in war.

15. The figures for the whole country shown in Table 6 (data available only up to March 1945), confirm that 1944 was the year of lowest increase in population.

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**While in the years 1943, 1944, and 1945 (first quarter) deaths exceeded births in towns (having more than 50,000 inhabitants each), births exceeded deaths in the whole country.**

TABLE 6

Births and deaths in Italy: 1935-1944

| Years | | Marriages | Born Alive | Deaths (1) | Excess of Births over Deaths |
|---|---|---|---|---|---|
| 1935-39 | | 325,749 | 1,005,730 | 602,572 | 403,158 |
| 1940 | | 314,167 | 1,046,479 | 606,907 | 439,572 |
| 1941 | | 273,695 | 937,546 | 621,735 | 315,811 |
| 1942 | | 287,369 | 926,096 | 643,517 | 282,579 |
| 1943 | (2) | 223,000 | 910,000 | 696,000 | 214,000 |
| 1944 | (2) | 231,000 | 882,000 | 723,000 | 159,000 |
| First quarter 1944 | (2) | 49,700 | 254,800 | 216,500 | 38,300 |
| First quarter 1945 | (2) | 55,900 | 235,700 | 196,900 | 38,800 |

(1) Deaths in the Armed Services in war are not included in the figures for the years from 1940 on.

(2) Provisional.

## *PUBLIC HEALTH*

### *Health Conditions Before the War.*

16. Health conditions in Italy before the war were characterized by the following:—

(a) Large natural increase of population due to a high birth rate. Mortality and infant mortality rates were continuously falling although they were still high as compared with rates in other parts of Europe. (See para. 3 and diagram of child mortality - Table 7 overpage.) The graph (Table 8) illustrates the trend of births and deaths from 1872 to 1944. The diagram (Table 9) and Table 3 give a comparison between Italy and other European countries for marriages, births and deaths.

(b) Absence of "convention" (1) diseases after the last cases of smallpox registered in 1927.

(c) Among "social diseases" (2) tuberculosis reached its lowest incidence in 1939-40 after fifty years of slow but continuous fall. As compared with some other countries the rate before the war per 10,000 inhabitants was as follows:

TABLE 10

Tuberculosis rates in Italy pre-war as compared with some other countries

| | | Rate per 10,000 |
|---|---|---|
| Italy | 1937 | 8.5 |
| Belgium | 1936 | 7.2 |
| Czechoslovakia | 1937 | 12.4 |
| France | 1935 | 12.3 |
| Germany | 1936 | 7.3 |
| Greece | 1936 | 12.9 |
| United Kingdom | 1937 | 7.0 |
| Rumania | 1935 | 17.9 |
| Spain | 1933 | 11.7 |
| Hungary | 1936 | 15.2 |
| United States | 1936 | 5.6 |

vinces, also showed a continuous tendency to decrease and to become localized, particularly as a result of land drainage.

(d) Of other infectious diseases the more important were typhoid fever, paratyphoid and undulant fever, of which a total of 40,000 cases per year were reported. In addition, 1,000 cases of meningitis and 2,000 of infantile paralysis per year were reported.

17. Table 11 gives an indication of the general improvement in health standards which took place in the 10 years to 1934.

### *Past and Present Organization of the Italian Public Health Service.*

18. The organization of the Public Health Services in Italy under the fascist regime was based upon the "Nuo-

TABLE 11

Deaths from Infectious Diseases Classified by Age Groups

Comparison between 1889-91 period and the 1932-34 period

| Age Groups | Absolute Figures (yearly averages) | | Deaths from infectious diseases per 100 total deaths in each age group (yearly average) | |
|---|---|---|---|---|
| | 1889-91 | 1932-34 | 1889-91 | 1932-34 |
| Up to 5 years | 87,410 | 19,582 | 24.2 | 12.6 |
| From 5 to 10 years | 15,751 | 4,201 | 53.9 | 38.1 |
| » 10 » 20 » | 15,259 | 8,166 | 56.0 | 46.2 |
| » 20 » 40 » | 30,671 | 24,871 | 44.8 | 43.9 |
| » 40 » 60 | | | | |

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Births and deaths in Italy: 1935-1944

| Years | Marriages | Born Alive | Deaths (1) | Excess of Births over Deaths |
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| 1935-39 | 325,749 | 1,005,730 | 602,572 | 403,158 |
| 1940 | 314,167 | 1,046,479 | 606,907 | 439,572 |
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| 1944 (2) | 231,000 | 882,000 | 723,000 | 159,000 |
| First quarter 1944 (2) | 49,700 | 254,800 | 216,500 | 38,300 |
| First quarter 1945 (2) | 55,900 | 235,700 | 196,900 | 38,800 |

(1) Deaths in the Armed Services in war are not included in the figures for the years from 1940 on.

(2) Provisional.

## PUBLIC HEALTH

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16. Health conditions in Italy before the war were characterized by the following:—

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(b) Absence of "convention" (1) diseases after the last cases of smallpox registered in 1927.

(c) Among "social diseases" (2) tuberculosis reached its lowest incidence in 1939-40 after fifty years of slow but continuous fall. As compared with some other countries the rate before the war per 10,000 inhabitants was as follows:

| | | |
|---|---|---|
| Italy | [illegible] | [illegible] |
| Belgium | 1936 | 7.2 |
| Czechoslovakia | 1937 | 12.4 |
| France | 1935 | 12.3 |
| Germany | 1936 | 7.3 |
| Greece | 1936 | 12.9 |
| United Kingdom | 1937 | 7.0 |
| Rumania | 1935 | 17.9 |
| Spain | 1933 | 11.7 |
| Hungary | 1936 | 15.2 |
| United States | 1936 | 5.6 |

Malaria, endemic in 50 of the 98 Italian provinces, also showed a continuous tendency to decrease and to become localized, particularly as a result of land drainage.

(d) Of other infectious diseases the more important were typhoid fever, paratyphoid and undulant fever, of which a total of 40,000 cases per year were reported. In addition, 1,000 cases of meningitis and 2,000 of infantile paralysis per year were reported.

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|---|---|---|---|---|
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| Up to 5 years | 87,410 | 19,582 | 24.2 | 12.6 |
| From 5 to 10 years | 15,751 | 4,201 | 53.9 | 38.1 |
| » 10 » 20 » | 15,259 | 8,166 | 56.0 | 46.2 |
| » 20 » 40 » | 30,671 | 24,871 | 44.8 | 43.9 |
| » 40 » 60 » | 16,161 | 13,292 | 19.9 | 17.2 |
| » over 60 | 11,616 | 11,587 | 5.9 | 4.4 |
| All ages | 176,868 | 81,700 | 23.1 | 14.0 |

Source: Pubblicazione periodica della Direzione Generale della Sanità Pubblica 1938.

(1) Diseases notifiable under International Sanitary Convention of 1926 - typhus, smallpox, plague, cholera and yellow fever.

(2) Diseases which increase as social circumstances deteriorate.

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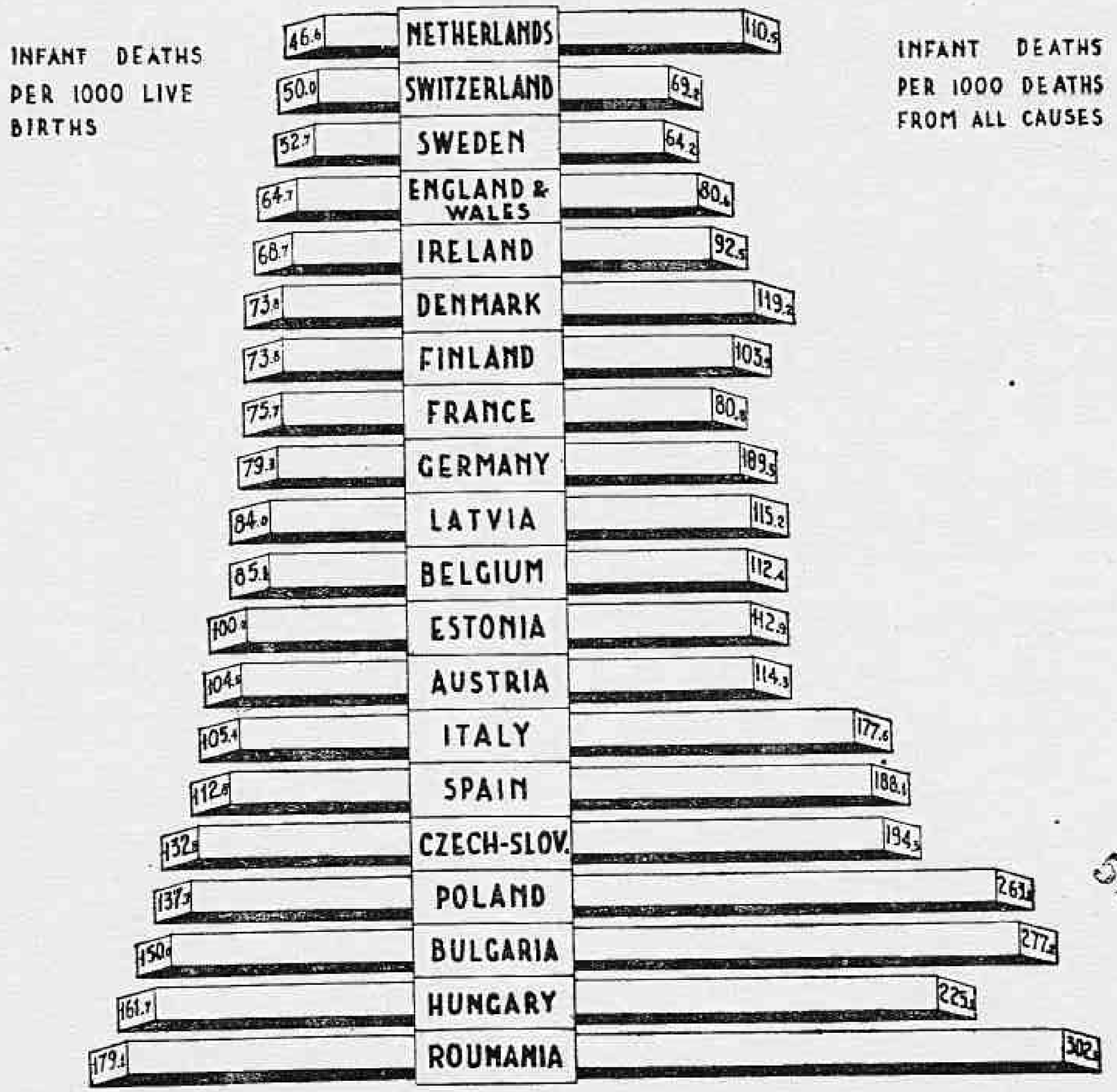
TABLE 7

# INFANT MORTALITY IN THE MAIN EUROPEAN COUNTRIES

(ANNUAL AVERAGE 1931 - 1933)

## *CHILD MORTALITY UNDER 1 YEAR OF AGE*

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# BIRTHS AND DEATHS PER 1000 INHABITANTS IN ITALY FROM 1872 TO 1944

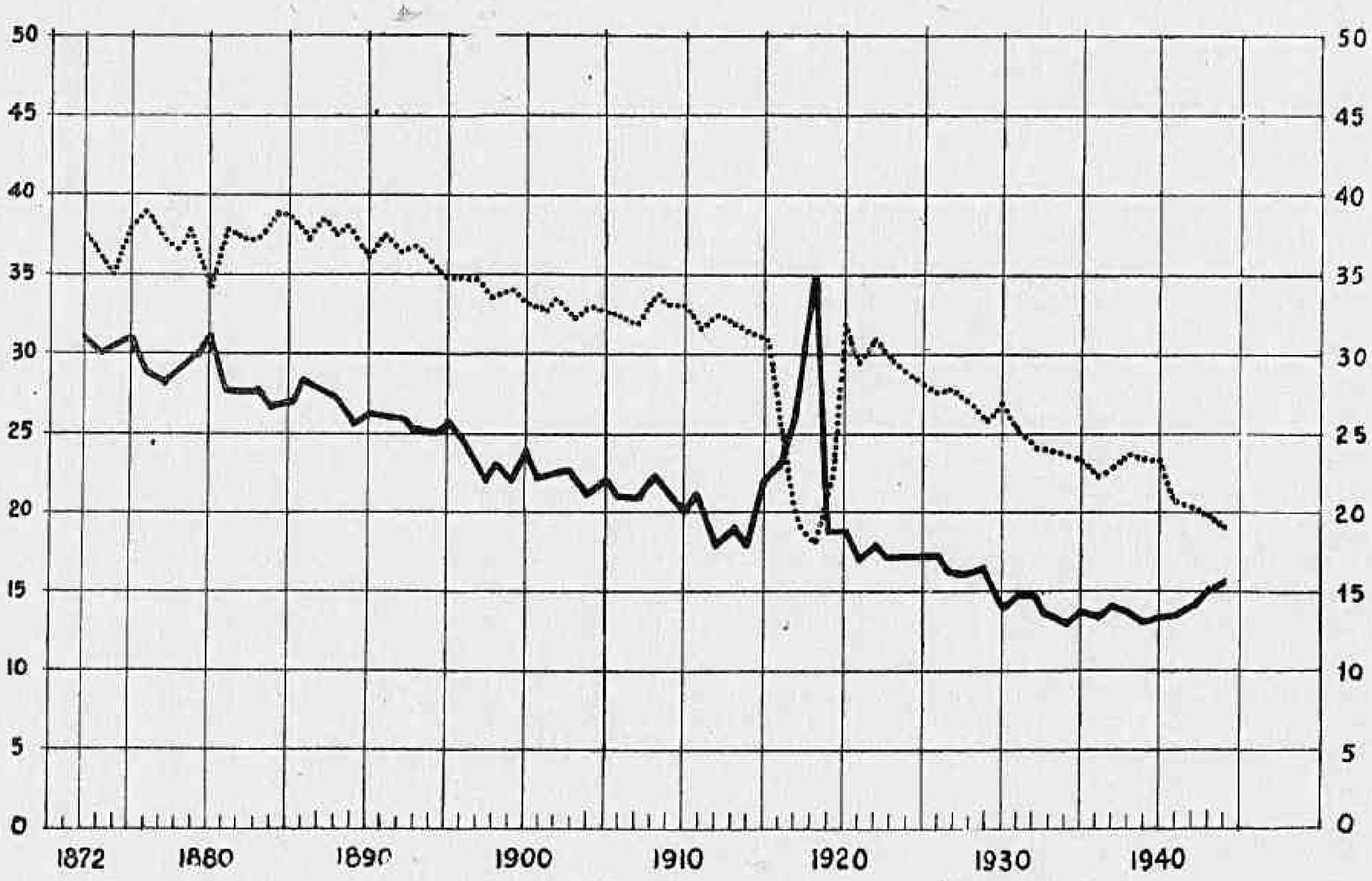


TABLE 8

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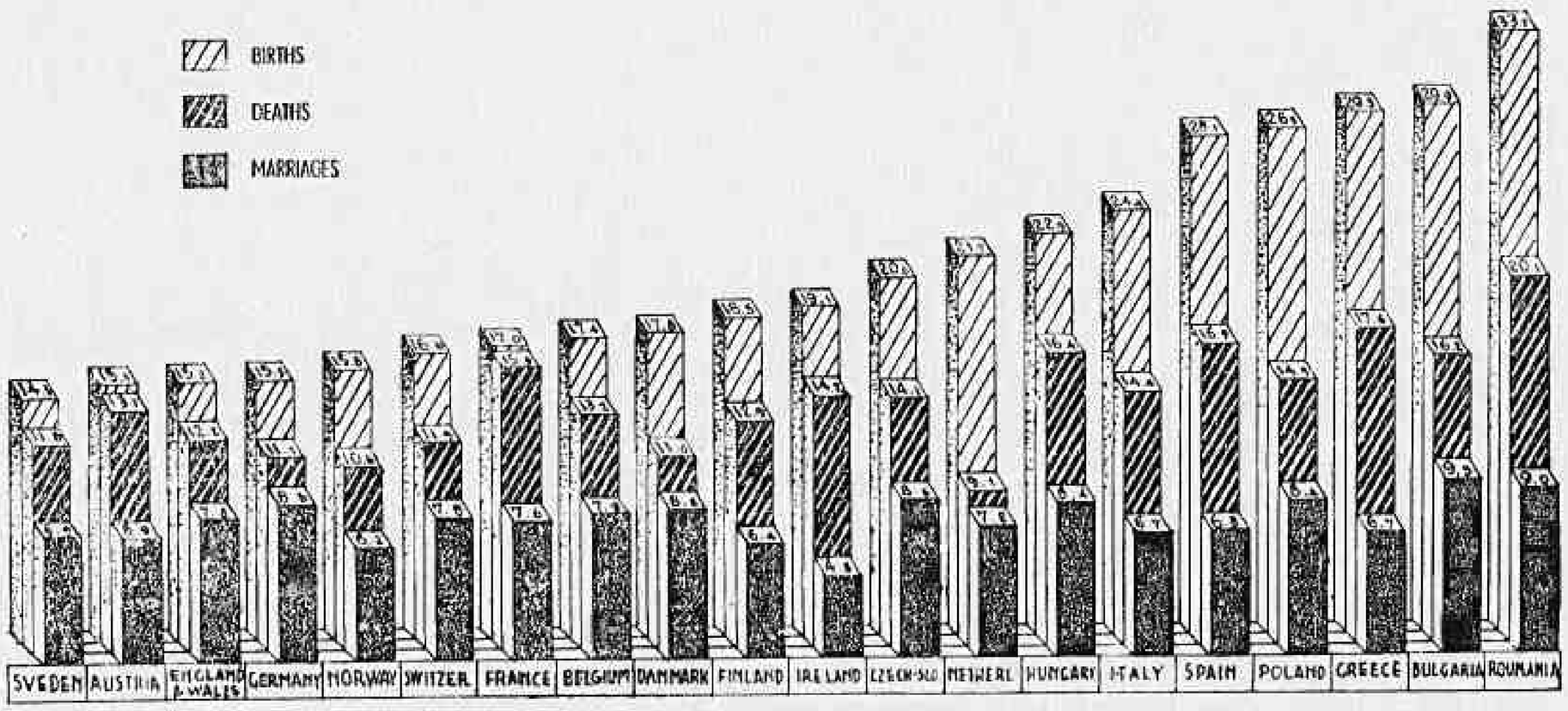
# DEMOGRAPHIC MOVEMENT IN THE PRINCIPAL COUNTRIES OF EURO

AVERAGE FOR THE YEARS 1931 - 1933

(NUMBERS PER 1000 INHABITANTS)

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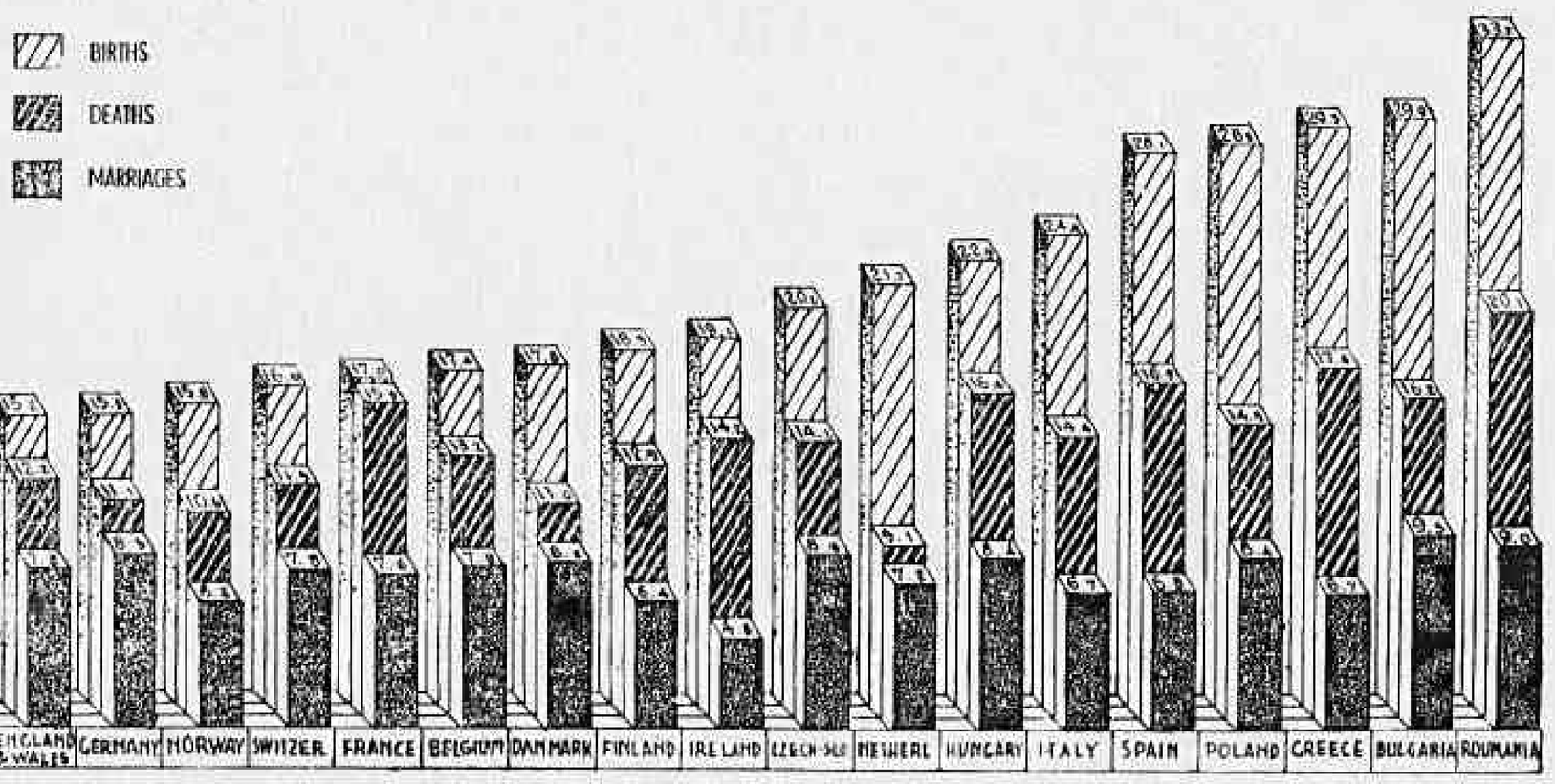
# RAPHIC MOVEMENT IN THE PRINCIPAL COUNTRIES OF EUROPE

## AVERAGE FOR THE YEARS 1931-1933

(NUMBERS PER 1000 INHABITANTS)

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vo Testo Unico delle Leggi Sanitarie" (New text of Health Laws) of 27 July 1934. The Public Health Service was one of six branches or divisions of the Ministry of Interior, the other five being respectively Personnel, Civil Affairs, Public Safety, the Fire Department and Air Raid Precautions, each under a Director General with the exception of the last, which was an inspectorate. Public Health was therefore not dealt with in a separate ministry but as one of the several responsibilities of the Ministry of the Interior.

19. The central administrative controlling agency was the Directorate-General of Public Health, comprising the Director-General, a Vice-Director and a Chief Inspector General. The Directorate-General administered 10 divisions: (1) General Administration and personnel; (2) Supervision of special institutions and vital statistics; (3) General Sanitation and Hygiene; (4) Infectious diseases and tuberculosis control; (5) Malaria and venereal diseases control; (6) Communal and Provincial Health Bureaux; (7) Administration of medical assistance in the Communes; (8) Control of pharmaceutical production; (9) Narcotic control; (10) Veterinary administration.

20. In addition to the Directorate-General, two other central bodies came under the direction of the Ministry, one being the "Istituto Superiore di Sanità" (High Institute of Health) in Rome, while the second was the "Consiglio Superiore di Sanità" (High Council of Health), a council of specialists selected to act as advisers to the General-Directorate. The Consiglio ceased to have any corporate existence in 1943. On 19 April 1945, it was replaced by the "Commissione Consultiva Centrale di Sanità" (Central Consultative Commission of Health), a body of similar composition and identical powers and functions as those of the Consiglio.

21. The Ministry of the Interior exercized control of Public Health services in the provinces through the Prefects. Thus, while each province had a provincial medical officer, a Medico Provinciale, who exercised professional and technical control over the provincial health services, it was not he, but the Prefect, who was ultimately responsible to the Ministry for the health of his particular province. Just as the General-Directorate came under and was responsible to the Ministry of Interior, so the Medico Provinciale came under and was responsible to the Prefect.

22. Similarly, in the Communes, which are subdivisions of the provinces, the Mayor or Sindaco, was the administrative head, responsible to the Prefect for

level the same functions as the Consiglio Superiore performed at Governmental level.

23. By Legislative Decree No. 446 of 31 July 1945 the General Direction of Public Health of the Ministry of Interior was abolished and the Office of a High Commissioner was established. This Office was given the power of exercising all the functions exercised by the Ministry of Interior regarding hygiene and public health and was made directly responsible to the Council of Ministers without any intermediary.

25. This step has been welcomed by the Italian medical profession but the High Commission has acted only centrally, for the Medico Provinciale is still under the jurisdiction of and responsible to the Prefect, and the Ufficiale Sanitario responsible to the Sindaco. None the less, it is indicative of a change of thought regarding the Italian health services and is believed by many to be only a first step towards a complete reorganization of public health administration.

*Effects of the War on Public Health.*

26. The war, as it advanced through Italy, left its imprint upon every aspect of Public Health activities. This imprint was easily recognizable in the damaged cities of Sicily, Southern and Central Italy in areas where the fighting was fiercest and most prolonged. From Bologna to Syracuse the bombed cities and towns tell their own mute tale of the destruction of hospitals, the disruption of essential hygiene services, and the consequent accumulation of debris and litter, breeding places for flies and other disease carriers. Much has already been done in remedying the outstanding potential threats to public health, but much more remains to be done and many years will elapse before conditions in these towns will even approximate to their pre-war normality.

27. While these conditions strike the eye and are readily comprehended, many other less visible factors attributable to war put a severe strain upon the disorganized Italian health services and the agencies which were operating to help them. One of the most important of these was the disruption of communications, with the result that outbreaks of disease could and did occur in isolated areas, lasting sometimes for a week or more before the central authority could be notified and aid requested. Lack of transport was also a severe

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22. Similarly, in the Communes, which are subdivisions of the provinces, the Mayor or Sindaco, was the administrative head, responsible to the Prefect for all that occurred in his Commune and he had as his medical advisor the Ufficiale Sanitario or Commune Health Officer.

23. Just as the General-Directorate had an advisory Consiglio, so each province had a "Consiglio Provinciale di Sanità" (Provincial Health Council), presided over by the Prefect, which performed at the provincial

power of exercising all the functions exercised by the Ministry of Interior regarding hygiene and public health and was made directly responsible to the Council of Ministers without any intermediary.

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27. While these conditions strike the eye and are readily comprehended, many other less visible factors attributable to war put a severe strain upon the disorganized Italian health services and the agencies which were operating to help them. One of the most important of these was the disruption of communications, with the result that outbreaks of disease could and did occur in isolated areas, lasting sometimes for a week or more before the central authority could be notified and aid requested. Lack of transport was also a severe handicap to the provincial health authorities as well as to the hospitals. Owing to the confiscation of their cars, medici provinciali were unable to visit their outlying districts and had to remain immobilized in the provincial capital, unaware of what was taking place in the communes, while patients requiring urgent treatment had to be conveyed to hospital by mule or ox

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transport. The hospitals themselves were doubly handicapped—first by destruction of their buildings and secondly by the systematic looting of beds, equipment, X-Ray plant and ambulances by the retreating enemy. They thus had to face the almost insuperable problem of having insufficient space, beds and equipment with which to deal with an unprecedented flow of patients. The seizure of hospital equipment by the Germans is estimated at about 20 % of the total pre-war equipment (beds, mattresses, sheets, medicines, surgical instruments, radiological equipment, etc.)

28. The destruction of houses had the effect of causing gross overcrowding in the buildings which remained intact, thus affording an admirable opportunity for the spread of communicable diseases such as typhus and smallpox. This was well exemplified in the Naples typhus epidemic, which spread rapidly once introduced into a community huddled together in buildings, air-raid shelters and caves. Typhus was also introduced into the country on several occasions, subsequent to that epidemic, by returning refugees who had eluded medical inspection at the frontier posts.

29. As a result of the damage to water supplies a number of typhoid epidemics occurred, while at one time plague was introduced into the port of Taranto from a vessel arriving from overseas.

30. Malaria became a serious problem owing to the destruction of the carefully planned bonifica (drainage, road building and land settlement) programs and the flooding of marshy areas following the sabotage of pumping machinery.

31. The population also suffered early from a lack of medical supplies. The Italian pharmaceutical industry is chiefly to be found in the north and, following the invasion, the centre and south were thus cut off from their source of supply. Reserve stocks soon dwindled and, as a result, the price of even the commonest drug soared to such a figure as to make supplies beyond the reach of the average purchaser. When emergency stocks were brought in, lack of transport made it extremely difficult to get such supplies to outlying districts.

32. Such was the picture that confronted the UNRRA Mission when it began operating in Italy in October 1944.

### *The Health Situation in 1946.*

33. There exist at present many temporary factors in the Italian economy which exert a detrimental influence short in fats, animal proteins and calorific value. Evidence of gross malnutrition is not at present apparent, although it is probable that further reduction in the available food supplies would cause malnutrition on an extensive scale.

34. The rise in wages has not kept pace with the rise in the cost of living. This has resulted in inequalities in distribution—in an abundance of supplies to the privileged classes while those in the lower income groups are unable to purchase a sufficiency of the necessities of life. In spite of this, although working efficiency has been reduced, the general health of the people at present is reasonably good, and epidemic diseases give no cause for anxiety.

35. The relatively good standard of health existing in Italy to-day as compared with other European countries is attributable to several factors. Probably one of the reasons is that the war in Italy was fought with the Italian people as co-belligerents. As a result help was received from the Allied Armies and living conditions were less severe than would otherwise have been the case. An advantage that Italy has over other countries is its favorable climate. Winter is less severe than in more northerly lands. Undernourishment, loss of warmth and habitation are less likely to be fatal as a result. Add to this the availability over a large part of the year of fresh fruit and vegetables in almost all parts of the country and the beneficient effects of the sun and some explanation is afforded of how Italy has succeeded in avoiding a large scale deterioration of public health.

### *Infant Mortality.*

36. Data on infant mortality (children who died under one year of age per 1,000 live born) are more precise than those for the general population since the proportion of children who died under one year of age is computed from the number born and registered and not from the number of inhabitants.

37. Infant mortality rates for 69 towns, each with a population of more than 50,000 inhabitants (aggregating 25 % of total population), were as follows:—.

TABLE 12

Infant mortality rates in 69 Italian towns

| | |
|---|---|
| 1935-39 | 84.1 |
| 1940 | 85.2 |

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of having insufficient space, beds and equipment with which to deal with an unprecedented flow of patients. The seizure of hospital equipment by the Germans is estimated at about 20 % of the total pre-war equipment (beds, mattresses, sheets, medicines, surgical instruments, radiological equipment, etc.)

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## *The Health Situation in 1946.*

33. There exist at present many temporary factors in the Italian economy which exert a detrimental influence on public health. Among these may be mentioned the overcrowding which exists in some of the large cities and which has been aggravated by the destruction of houses and the movements of population resulting from the war. Another major factor is the poor nutritional state of urban populations. These are largely living on a bare subsistence ration and a badly-balanced diet.

34. The rise in wages has not kept pace with the rise in the cost of living. This has resulted in inequalities in distribution—in an abundance of supplies to the privileged classes while those in the lower income groups are unable to purchase a sufficiency of the necessities of life. In spite of this, although working efficiency has been reduced, the general health of the people at present is reasonably good, and epidemic diseases give no cause for anxiety.

35. The relatively good standard of health existing in Italy to-day as compared with other European countries is attributable to several factors. Probably one of the reasons is that the war in Italy was fought with the Italian people as co-belligerents. As a result help was received from the Allied Armies and living conditions were less severe than would otherwise have been the case. An advantage that Italy has over other countries is its favorable climate. Winter is less severe than in more northerly lands. Undernourishment, loss of warmth and habitation are less likely to be fatal as a result. Add to this the availability over a large part of the year of fresh fruit and vegetables in almost all parts of the country and the beneficient effects of the sun and some explanation is afforded of how Italy has succeeded in avoiding a large scale deterioration of public health.

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| | 1935-39 | 84.1 |
| | 1940 | 85.2 |
| | 1941 | 95.8 |
| | 1942 | 100.5 |
| | 1943 | 111.2 |
| | 1944 | 113.2 |
| | 1945 | 98.8 |
| First quarter | 1945 | 100.2 |
| | 1946 | 84.1 |

Source: Istituto Centrale di Statistica.

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TABLE 13

Infant mortality rates in 6 large Italian cities
(children who died under one year of age per 1,000 live births)

| Year | Genoa | Turin | Milan | Rome | Florence | Naples |
|---|---|---|---|---|---|---|
| 1939 | 69.9 | 76.6 | 77.5 | 75.0 | 55.7 | 83.4 |
| 1940 | 71.8 | 84.0 | 79.4 | 84.7 | 60.3 | 112.8 |
| 1941 | 68.6 | 82.2 | 83.1 | 84.6 | 68.6 | 147.1 |
| 1942 | 77.7 | 91.5 | 79.5 | 74.8 | 73.8 | 136.6 |
| 1943 | 98.3 | 102.6 | 105. | 104.1 | 72.6 | 176.3 |
| 1944 | 127.5 | 78.8 | 71.5 | 137.6 | 104.8 | 139.1 |
| 1945 | 97.9 | 92.1 | 90.7 | 84.7 | 95.5 | 92.1 |
| 1st quarter 1945 | 117.0 | 100.8 | 110.6 | 115.8 | 135.4 | 100.8 |
| 1st quarter 1946 | 59.6 | 90.3 | 77.4 | 75.0 | 119.9 | 90.3 |

Source: Uffici Communali di Statistica.

38. Rates of infant mortality reached the highest point in Naples, Turin and Milan in 1943 and in Rome, Florence and Genoa in 1944. In 1945 infant mortality decreased, though it is still substantially higher than the 1939 level.

*Deaths from Tuberculosis.*

39. The deaths from tuberculosis—pulmonary and others—for 11 Italian cities with over 100,000 de facto inhabitants, are shown in Table 14.

TABLE 14

Deaths from Tuberculosis in 11 Large Italian Cities: 1938 and 1941 to 1945

| Cities | 1938 | 1941 | 1942 | 1943 | 1944 | 1945 |
|---|---|---|---|---|---|---|
| | No. of Deaths | | | | | |
| 1. Genoa . . | 791 | 777 | 1,010 | 1,014 | 1,106 | 1,116 |
| 2. Milan . . | 919 | 967 | 1,249 | 970 | 1,075 | 1,408 |
| 3. Verona . . | 108 | 188 | 274 | 311 | 285 | 283 |
| 4. Padua . . | 216 | 285 | 377 | 369 | 284 | 316 |
| 5. Venice . . | 332 | 369 | 539 | 591 | 632 | 573 |
| 6. Trieste . . | 454 | 535 | 612 | 661 | 717 | 780 |
| 7. Rome . . | 1,583 | 1,879 | 2,503 | 2,959 | 3,579 | 2,692 |
| 8. Naples . . | 1,197 | 1,559 | 2,084 | 1,767 | 1,690 | 1,425 |
| 9. Taranto . . | 163 | 81 | 139 | (1) 139 | 118 | 91 |
| 10. Catania . . | 291 | 242 | 412 | 304 | 287 | 297 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 161 | 182 |

40. From Table 14 it appears that in the 11 largest Italian cities mortality from tuberculosis reached a maximum in 1944, showing an increase of 59 % compared with 1938. The improvement in 1945 was slight (showing an increase of 47 % compared with 1938), since housing and feeding conditions are still extremely poor.

## *UNRRA ASSISTANCE*

41. UNRRA's contribution towards relief and rehabilitation in the sphere of public health has been diverse and many-sided. While figures can be given for supplies imported and distributed, for surveys which have been made and for anti-malarial measures which have been taken, no statistics can indicate the close liaison which exists between the office of the UNRRA Italy Health Division and that of the High Commissioner for Public Health. Daily conferences are held, every aspect of Italian health is examined and discussed and each project that is initiated, results from coordinated planning and mutual agreement between the two offices. The following paragraphs (42 to 66) summarize the main features of UNRRA health work in Italy.

*UNRRA Medical Supplies.*

42. Figures of the medical supply program at end June 1946 are:—

TABLE 15

UNRRA Medical Supply Program, 1945-46

| | Tons | Approx. Value $ |
|---|---|---|
| Supplies received in Italy . | 5,800 | 6,500,000 |
| Distributed to date . . . | 2,675 | 2,921,000 |
| For immediate distribution . | 1,450 | 1,225,000 |
| Held for Hospital Units and operational purposes . . | 615 | 307,500 |
| Held in reserve pending allocation, approx. . . . | 1,060 | 2,046,500 |

43. The medical supplies to be provided by UNRRA to Italy are valued at 16.710,000 dollars out of a total UNRRA [illegible] of 425,000,000 dollars. The supplies

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| | | | | | | | |
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| | 1942 | 77.7 | 91.5 | 79.5 | 74.8 | 73.8 | 136.6 |
| | 1943 | 98.3 | 102.6 | 105. | 104.1 | 72.6 | 176.3 |
| | 1944 | 127.5 | 78.8 | 71.5 | 137.6 | 104.8 | 139.1 |
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| | 1946 | 59.6 | 90.3 | 77.4 | 75.0 | 119.9 | 90.3 |

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| 8. Naples . . | 1,197 | 1,559 | 2,084 | 1,767 | 1,690 | 1,425 |
| 9. Taranto . . | 163 | 81 | 139 | (1) 139 | 118 | 91 |
| 10. Catania . . | 291 | 242 | 412 | 304 | 287 | 297 |
| 11. Messina . . | 186 | 201 | 245 | 229 | 161 | 182 |
| TOTAL | 6,240 | 7,083 | 9,444 | 9,314 | 9,934 | 9,163 |
| Index Numbers 1938 = 100 . | 100 | 114 | 151 | 149 | 159 | 147 |

(1) Estimate.

poor.

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43. The medical supplies to be provided by UNRRA to Italy are valued at 16.710,000 dollars out of a total UNRRA program of 425.000,000 dollars. The supplies cover every branch of medical needs and form a vital part of the UNRRA relief plan.

44. Table 16 shows an analysis of some of the special distributions made by UNRRA of particular medical supply needs.

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TABLE 16

## Special Material provided and distributed by UNRRA up to June 1946

| | U.S. Dollars |
|---|---|
| Penicillin - 59,792 phials of 100,000 oxford units each | 91,817.60 |
| Insulin - 53,820,000 units | 37,804.90 |
| Crystallized Insulin - 165,337,000 units. | 122,502.60 |
| Narcotics - Tincture of opium, morphia and codine | 11,112.70 |
| Cod Liver Oil - Kg. 188,000 approx. | 242,228.00 |
| Units for disinfestations - 6 units | 23,800.00 |
| Cotton - wool - 2,233,163 lbs (made into 2,500,000 sq. meters of material for sheets, 800,000 sq. m. material for pillow cases, 50,000 sq. m. material for towels) | 504,870.58 |
| Laundry and toilet soap - Kg. 160,000 | 42,400.00 |
| Ambulances - 85 | 140,935.00 |
| Trucks - 6 for Sardinian anti-malarial program | 9,000.00 |
| Tungsten - 100 pounds - for X-Ray tubes | 1,106.79 |
| Anti-epidemic vaccines - 3,968 bottles | 1,388.80 |
| Radiographic films - 5964 dozen | 30,822.12 |
| Microscopes - 39 | 1,702.64 |
| Medical supplies, surgical materials, surgical instruments, and apparatuses, hospital and laboratory equipment, hospital and laboratory units, radiological units, disinfestation material, articles for new-born children | 2,900,268.96 |
| TOTAL | 4,161,759.19 |

### *Distribution of UNRRA Medical Supplies.*

45. Medical supplies arriving in Italy are received at the port by representatives of the Foreign Trade Institute (I.C.E. - Istituto Commercio Estero) and are transferred to Government warehouses. UNRRA then breaks down the supplies into the various programs for which they are intended, e.g.,

(a) General Distribution

(b) Special distribution, i.e., insulin, narcotics, liver injections, penicillin, etc.

(c) Hospital and Laboratory unit requirements

47. The recipients at a provincial level are the Medici Provinciali (Provincial Medical Officers), who have previously been notified by the High Commissioner of the supplies they are to receive. UNRRA Regional Medical Officers are similarly notified by the Director of Health at UNRRA Headquarters.

48. Final distribution between individual hospitals, etc., within the Province is worked out by the UNRRA Regional Medical Officer and the Italian Provincial Medical Officer for the Province concerned.

### *Pricing of UNRRA Medical Supplies.*

49. UNRRA medical supplies are provided free of cost to the Italian Government. For the earlier supplies payment to the Government in local currency was made at the U.S. Catalogue price plus one third. Of the later supplies the price of penicillin has been fixed at the lire equivalent of landed cost plus one third to cover free distribution of 25 per cent. of the total. The net proceeds are credited to the Lira Fund (1).

50. Penicillin is now arriving in increasing quantity and plans are being prepared for the clinical use of the drug on a more extensive scale. It is hoped that a number of diseases in which penicillin is therapeutically active will be added to the approved list of diseases for which the drug may now be used in Italy.

51. Reports indicate that hospitals, sanatoria and other medical institutions throughout Italy, Sicily and Sardinia are now reasonably well supplied with expendable drugs. UNRRA drugs can now be made available to additional medical institutions such as semi-Governmental organizations which deal with the ambulatory sick and other official medical services which perform a public service.

52. The UNRRA 1946 medical supply program aims at the importation of raw materials not produced in Italy. These will be processed and packed in Italian factories, thereby reviving a section of the pharmaceutical industry and finding employment for pharmaceutical workers. The end-products manufactured from imported raw materials cannot reach those in need before the end of 1946 or the beginning of 1947, but the aim of this program is to assist in re-establishing normal conditions in so far as the manufacture and supply of medical necessities is concerned.

53. Recent reports from the Provinces indicate that needs are changing rapidly, i.e., previously the pre-

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| | |
|---|---|
| Penicillin - 59,792 phials of 100,000 oxford units each | 91,847.60 |
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| Cod Liver Oil - Kg. 188,000 approx. | 242,228.00 |
| Units for disinfestations - 6 units | 23,800.00 |
| Cotton - wool - 2,225,163 lbs (made into 2,500,000 sq. meters of material for sheets, 800,000 sq. m. material for pillow cases, 50,000 sq. m. material for towels) | 504,870.58 |
| Laundry and toilet soap - Kg. 160,000 | 12,400.00 |
| Ambulances - 85 | 110,935.00 |
| Trucks - 6 for Sardinian anti-malarial program | 9,000.00 |
| Tungsten - 100 pounds - for X-Ray tubes | 1,106.70 |
| Anti-epidemic vaccines - 3,968 bottles | 1,388.80 |
| Radiographic films - 5994 dozen | 30,822.12 |
| Microscopes - 39 | 1,702.64 |
| Medical supplies, surgical materials, surgical instruments, and apparatuses, hospital and laboratory equipment, hospital and laboratory units, radiological units, disinfestation material, articles for new-born children | 2,900,268.96 |
| TOTAL | 4,161,759.18 |

*Distribution of UNRRA Medical Supplies.*

45. Medical supplies arriving in Italy are received at the port by representatives of the Foreign Trade Institute (I.C.E. - Istituto Commercio Estero) and are transferred to Government warehouses. UNRRA then breaks down the supplies into the various programs for which they are intended, e.g.,

(a) General Distribution

(b) Special distribution, i.e., insulin, narcotics, liver injections, penicillin, etc.

(c) Hospital and Laboratory unit requirements

(d) Dental, X-Ray, Layette requirements

(e) Sanitation supplies—epidemic control, etc.

46. The breakdown is agreed with the High Commissioner for Public Health and then sent to the warehouses. An UNRRA observer checks that the distribution to provinces is correctly carried out as agreed.

18. Final distribution between individual hospitals, etc., within the Province is worked out by the UNRRA Regional Medical Officer and the Italian Provincial Medical Officer for the Province concerned.

*Pricing of UNRRA Medical Supplies.*

49. UNRRA medical supplies are provided free of cost to the Italian Government. For the earlier supplies payment to the Government in local currency was made at the U.S. Catalogue price plus one third. Of the later supplies the price of penicillin has been fixed at the lire equivalent of landed cost plus one third to cover free distribution of 25 per cent. of the total. The net proceeds are credited to the Lira Fund (1).

50. Penicillin is now arriving in increasing quantity and plans are being prepared for the clinical use of the drug on a more extensive scale. It is hoped that a number of diseases in which penicillin is therapeutically active will be added to the approved list of diseases for which the drug may now be used in Italy.

51. Reports indicate that hospitals, sanatoria and other medical institutions throughout Italy, Sicily and Sardinia are now reasonably well supplied with expendable drugs. UNRRA drugs can now be made available to additional medical institutions such as semi-Governmental organizations which deal with the ambulatory sick and other official medical services which perform a public service.

52. The UNRRA 1946 medical supply program aims at the importation of raw materials not produced in Italy. These will be processed and packed in Italian factories, thereby reviving a section of the pharmaceutical industry and finding employment for pharmaceutical workers. The end-products manufactured from imported raw materials cannot reach those in need before the end of 1946 or the beginning of 1947, but the aim of this program is to assist in re-establishing normal conditions in so far as the manufacture and supply of medical necessities is concerned.

53. Recent reports from the Provinces indicate that needs are changing rapidly, i.e., previously the urge was for medical supplies, whereas now Medici Provinciali are becoming more interested in the problems connected with tuberculosis control, child and maternal hygiene, water supply, and other public health matters.

(1) See Supplement to « Economic Notes » Vol. I, No. 31, 16 August 1946, pp. 58-61.

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Italy is passing beyond the emergency period. Her basic medical requirements are being fulfilled with the exception of surgical instruments, dressings, and items such as hormones and radio-opaque substances. Medical officers and hospitals are short of transport. Motor cars, ambulances, and necessary gasoline and tires are needed.

### *UNRRA Assistance to Hospitals.*

54. UNRRA has imported hospital units designed to put damaged and looted hospitals on a working basis. The war damage to hospitals in Italy is estimated by the Italian Government at 12,350 million lire (1946 value). These units contain both beds and equipment and are in two sizes—one for a hospital of 40 beds, the other for one of 200 beds. Table 17 shows the bed-units and mattresses which have already been distributed up to July 1946.

55. During August 1946 the Regina Margherita Hospital at Messina was reopened. The reopening of the hospital, which has been requisitioned many times, was made possible by the allocation of an UNRRA 200-bed hospital unit. UNRRA sheeting material had also arrived and about 140 patients are already hospitalized.

56. Another 200-bed hospital unit was delivered in 1946 to the Civil Hospital, Dolo (Venezia). Five 40-bed hospital units were delivered to the following institutions: Civil Hospital, Fidenza (Parma); Civil Hospital, Palermo; Palazzo Adriano, Palermo; Sanatorium Serraino Vulpitta, Trapani; Agrigento Civil Hospital, Licata (Sicily); Ospedale Isolamento, Trapani (Sicily). The last two divide one 40-bed hospital unit between them.

57. Distribution of the items in the remaining twenty-one 40-bed hospital units plus 350 beds and mattresses and other hospital equipment such as furniture, surgical instruments and kitchenware is being planned and executed during August 1946. In addition, laboratory units were delivered in July 1946 to the Sicilian Provincial Laboratories of Messina, Catania and Caltanissetta (3).

### *Ambulances.*

58. 85 ambulances have already been distributed to Medici Provinciali, hospitals, and institutions, while a further 95 have been allocated and are awaiting delivery. These ambulances will remain the property of the Italian Government, but will be assigned to the Medici Pro-

TABLE 17

## Beds distributed by UNRRA to Hospitals in Italy (To 6 July 1946)

| | |
|---|---|
| Civilian Hospitals at: | |
| La Spezia | 150 mattresses<br>One 200-bed unit. |
| Rimini | 100 beds, 100 mattresses |
| Guardiagrele | One 40-bed unit. |
| Messina | One 200-bed unit.<br>100 beds |
| Foggia | One 200-bed unit to be divided with S. Severo<br>30 beds, 30 matts. |
| Salerno | One 200-bed unit. |
| Castelnuovo Garf. | One 40-bed unit. |
| Nocera Inferiore | One 40-bed unit. |
| Civitavecchia | One »<br>60 mattresses |
| Frosinone | One 40-bed unit |
| Palestrina | 20 collapsible beds<br>20 mattresses |
| Ceprano | 20 beds<br>30 mattresses |
| Brindisi | 50 beds, 150 mattresses. |
| Avellino | 30 beds, 30 mattresses |
| Matera | 30 beds, 30 mattresses |
| Potenza | 40 beds, 40 mattresses |
| Tricarico | One 40-bed unit. |
| Bibbiena | One 40-bed unit. |
| Chiusi | One » |
| Velletri | One 20-bed unit. |
| Ceprano | 20 mattresses |
| Consorzio Prov. Anti-T.B. at: | |
| La Spezia | 150 beds |
| Baths at: | |
| Acqui | 200 mattresses, 200 beds<br>200 mattress covers |
| Infantile Paralysis Hosp. at: | |
| Arieeia | 80 beds<br>40 mattresses and other materials |
| Infirmary at: | |
| Maiella | 16 mattresses |

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officers and hospitals are short of transport [illegible] cars, ambulances, and necessary gasoline and tires are needed.

*UNRRA Assistance to Hospitals.*

54. UNRRA has imported hospital units designed to put damaged and looted hospitals on a working basis. The war damage to hospitals in Italy is estimated by the Italian Government at 12,350 million lire (1946 value). These units contain both beds and equipment and are in two sizes—one for a hospital of 10 beds, the other for one of 200 beds. Table 17 shows the bed-units and mattresses which have already been distributed up to July 1946.

55. During August 1946 the Regina Margherita Hospital at Messina was reopened. The reopening of the hospital, which has been requisitioned many times, was made possible by the allocation of an UNRRA 200-bed hospital unit. UNRRA sheeting material had also arrived and about 140 patients are already hospitalized.

56. Another 200-bed hospital unit was delivered in 1946 to the Civil Hospital, Dolo (Venezia). Five 40-bed hospital units were delivered to the following institutions: Civil Hospital, Fidenza (Parma); Civil Hospital, Palermo; Palazzo Adriano, Palermo; Sanatorium Serraino Vulpitta, Trapani; Agrigento Civil Hospital, Licata (Sicily); Ospedale Isolamento, Trapani (Sicily). The last two divide one 40-bed hospital unit between them.

57. Distribution of the items in the remaining twenty-one 40-bed hospital units plus 350 beds and mattresses and other hospital equipment such as furniture, surgical instruments and kitchenware is being planned and executed during August 1946. In addition, laboratory units were delivered in July 1946 to the Sicilian Provincial Laboratories of Messina, Catania and Caltanissetta [1].

*Ambulances.*

58. 85 ambulances have already been distributed to Medici Provinciali, hospitals, and institutions, while a further 95 have been allocated and are awaiting delivery. These ambulances will remain the property of the Italian Government, but will be assigned to the Medici Provinciali for use by specified hospitals and medical institutions in the provinces.

(1) To end August 1946 UNRRA had supplied to hospitals etc. 3,146 beds and 2,776 mattresses.

| | |
|---|---|
| Civilian Hospitals at: | |
| La Spezia | 150 mattresses<br>One 200-bed unit. |
| Rimini | 100 beds, 100 mattresses |
| Grumiagrele | One 40-bed unit. |
| Messina | One 200-bed unit.<br>100 beds |
| Foggia | One 200-bed unit to be divided with S. Severo<br>30 beds, 30 matts. |
| Salerno | One 200-bed unit. |
| Castelnuovo Carf. | One 40-bed unit. |
| Nocera Inferiore | One 40-bed unit. |
| Civitavecchia | One »<br>60 mattresses |
| Frosinone | One 40-bed unit |
| Palestrina | 20 collapsible beds<br>20 mattresses |
| Ceprano | 20 beds<br>30 mattresses |
| Brindisi | 50 beds, 150 mattresses. |
| Avellino | 30 beds, 30 mattresses |
| Matera | 30 beds, 30 mattresses |
| Potenza | 40 beds, 40 mattresses |
| Tricarico | One 40-bed unit. |
| Bibbiena | One 40-bed unit. |
| Chiusi | One » |
| Velletri | One 20-bed unit. |
| Ceprano | 20 mattresses. |
| Consorzio Prov. Anti-T.B. at: | |
| La Spezia | 150 beds |
| Baths at: | |
| Acqui | 200 mattresses, 200 beds<br>200 mattress covers |
| Infantile Paralysis Hosp. at: | |
| Ariccia | 80 beds<br>40 mattresses and other materials |
| Infirmary at: | |
| Maiella | 16 mattresses |
| Sanatoria at: | |
| Matera | One 40-bed unit. |
| Fossombrone | 30 mattresses |
| Maiella | 16 beds |

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*Tuberculosis: X-Ray Units.*

59. The following X-Ray units were installed by UNRRA technicians during July 1946: Civil Hospital, Bibbiena (Siena). Tuberculosis Sanatorium, Sondalo (Sondrio). Sanatorium Villa Guerrini (Pesaro). With the delivery of a further unit to the Civil Hospital at Minturno in August 1946, the assignment of the fourteen X-Ray units imported into Italy by UNRRA is now complete.

60. Photofluorographic surveys of 29 groups, totalling 43,143 people of the general Italian population, showed an average incidence of 2.5 % tuberculosis requiring observation or treatment. Photofluorographic surveys of camp population (displaced persons) showed an incidence of 2.7 % tuberculosis in 1,032 persons examined. A Government Committee, of which the UNRRA Tuberculosis Consultant is a member, has been formed to consider the tuberculosis problem and to make recommendations for combatting the disease on a national scale. Two National Schermography Centers have been established in Rome and Milan. The Committee has discussed measures to reorganize the T.B. Services and to form a central bureau of statistics on tuberculosis, together with a unified plan for the notification of cases. 14 X-ray units and films were supplied by UNRRA for assignment to hospitals and sanatoria to replace X-ray equipment destroyed by war.

61. The High Commissioner for Hygiene and Public Health has allocated the sum of 250 million lire (1946) for the Sondalo Sanatorium, which is expected to open in August with 1,500 beds for the accommodation of refugees and returning prisoners of war. The sanatorium of the Ospedali Riuniti at Monte Mario, Rome, will be finished and equipped in 1946. The High Commissioner contributed 60 million lire for this project with the provision that 350 beds be reserved for Consorzio patients.

*Malaria.*

62. Surveys were made and information obtained from the majority of the endemic malarial regions in Italy and Sicily. Malaria control operations have been carried out between February and August 1946 in Sicily and in Southern Italy, within an area extending from south of the Volturno River to north of the Tiber River, the Po Valley region, Provinces of Veneto and Udine, spraying of 325 million square feet of wall space. In these operations 50 tons of DDT, 8,000 gallons of emulsion concentrate and 216,000 gallons of kerosene have been utilized, while the equipment included 21 vehicles, 292 spray guns and 8 power sprayers. Preliminary reports show that work has been generally effective in reducing the incidence of malaria. Not only will many working days be saved, but an increased production of grain and other agricultural products should result by making malarious areas safer for the farm workers in whom the risk of developing malaria will be reduced.

*Disinfestation.*

63. Plans are being made for a nation-wide program of disinfestation of residential institutions such as hospitals, sanatoria, orphanages, and prisons, and for the disinfestation of inmates when necessary. This program will commence on 1 September 1946, upon completion of the malaria control work.

*Use of Lira Fund in Combatting Disease and in Supplying Hospitals.*

64. In the employment of the Lira Fund—i.e., the Fund recruited for relief and rehabilitation work in Italy from sales in local currency of UNRRA-imported goods (sales made by the Government in agreement with UNRRA)—the following sums have already been granted:—

| | |
|---|---|
| Transport for Medici Provinciali | 18,800,000 lire |
| Sardinia Malaria Eradication | 300,000,000 lire |
| Manufacture of Hospital linen from imported raw cotton | 457,000,000 lire |

In addition, plans are being prepared for anti-tuberculosis, anti-malaric and anti-trachoma campaigns, together with approximately ten other Public Health projects (see also para. 67). It is estimated provisionally that the total sums required to implement these plans will be in the neighbourhood of 3,000 million lire.

*UNRRA Fellowships.*

65. An Italian sanitary engineer has left for the United States to take a course in Public Health engineering, while 2 doctors and 2 technicians will go to the U.K. for a course in the technique of mass radiography. These will later form the nucleus of the staffs of the Photofluoroscopic Centers in Rome and Milan. 27 or-

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*UNRRA Fellowships.*

65. An Italian sanitary engineer has left for the United States to take a course in Public Health engineering, while 2 doctors and 2 technicians will go to the U.K. for a course in the technique of mass radiography. These will later form the nucleus of the staffs of the Photofluoroscopic Centers in Rome and Milan. 27 selected nurses have left for the U.S. on nursing fellowship courses.

66. In response to a request by the Italian Government, a penicillin manufacturing plant has been allocated to Italy and two Italian technicians, a biochemist and a chemical engineer, are in Canada for a course

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in the technique of large-scale penicillin manufacture. This penicillin plant when in full operation is expected to have a monthly output of 12 to 15,000 million units.

*Future Italian Health Situation.*

**57.** The Allied Armies up to end August 1945 had handed over to the Italian Government medical supplies of a value of over 200 million lire, of which the bulk had by end September 1945 been distributed. A further 1,000 million lire worth of medical supplies were handed over by the Allied Commission on behalf of the Allied Armies by the end of 1945, of which considerable supplies remain in Italian Government hands to supply the future needs of the hospitals. The activities of UNRRA Health Division have been outlined above and though many of these will, of necessity, cease at the end of 1946, much of the work already initiated will continue. This work will be carried on by the Italian Health authorities themselves. An important aspect of these activities will be the furtherance of those to be initiated by means of the Lira Fund. The UNRRA Mission in Italy, in conjunction with the office of the High Commission for Hygiene and Public Health, is planning to put forward to the Joint Committee of the Government and UNRRA a number of proposals for the allocation of funds for such diverse purposes as tuberculosis, trachoma, and malaria control programs, for the development of the Institute of Nutrition and for the improvement of conditions in teaching schools and nurses' training centers. If these plans are approved, the supervision and control of funds allotted will require the guidance of the authorities concerned for some years to come.

68. The Italian Health authorities have still a number of problems confronting them. Among these are the reconstitution of their Port Sanitary Services, the rebuilding of many hospitals, the provision of housing space to alleviate over-crowding and the ever-present danger of refugees who may enter the country clandestinely, bringing with them the danger of infectious diseases in overt or covert forms. Apart from these preoccupations, perhaps the difficulties of 1947 and successive years will be much less formidable than those which have already been overcome. It is felt that when the UNRRA Mission leaves the country, it will have provided a substantial legacy of varied contributions in the public health field of which the Italian authorities will make full and ample use.

69. The most important problem which faces the Italian Health authorities, is that of administration. In Italy there is a multiplicity of independent organizations dealing with such varying matters as the care of mothers and infants, malaria and tuberculosis control. Many of these organizations are only indirectly the concern of the High Commissioner for Hygiene and Public Health. The time has come when legislation should be passed to achieve two objects, firstly to create a Ministry of Health and secondly to place all independent organizations which have any bearing upon the health of the Italian people, under the firm supervision of that Ministry.

## PART TWO - WELFARE

### *GENERAL NATURE AND ORGANIZATION OF WELFARE SERVICES*

70. Like most of the older countries, Italy has a large number of unevenly-distributed charitable foundations. The range of assistance was extended in the XIX century by the development of communal assistance agencies for the distribution of non-institutional relief.

71. In the XIX century charity was placed within a *legal* framework. This affirmed the principle of assistance as a duty by the State and as a right of the individual. The State was concerned in the regulation of private charity only to give a legal status to voluntary charitable foundations and to supervise and co-ordinate their work (see para. 94). The laws regulating State Charity was organized either by the use of State funds or by funds raised compulsorily by towns, provinces or other public bodies.

72. By the law of 1890 a Congregazione di Carità (Congregation of Charity)—transformed afterwards into the Ente Communale di Assistenza (ECA - Communal Assistance Body)—could be founded in every town (see para. 81).

73. The fundamental principle underlying "legal" charity is represented in the so-called "domicilio di soccorso" (residence for relief), which acknowledges the legal right of the poor to obtain relief and on the basis of which institutions are established. The Italian legislation provides for (a) medical assistance to the

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71. In the XIX century charity was placed within a *legal* framework. This affirmed the principle of assistance as a duty by the State and as a right of the individual. The State was concerned in the regulation of private charity only to give a legal status to voluntary charitable foundations and to supervise and co-ordinate their work (see para. 94). The laws regulating State intervention in Italy for co-ordinating private charity date back to 1862 and to 1890, i.e. for "opere pie" (pious foundations) and for "istituzioni di pubblica beneficenza" (public charity institutions), both of which are supported by private donations or endowments. In the new approach charitable assistance was regarded as a public question involving legal obligations and rights. Charity was organized either by the use of State funds or by funds raised compulsorily by towns, provinces or other public bodies.

72. By the law of 1890 a Congregazione di Carità (Congregation of Charity)—transformed afterwards into the Ente Comunale di Assistenza (ECA - Communal Assistance Body)—could be founded in every town (see para. 81).

73. The fundamental principle underlying "legal" charity is represented in the so-called "domicilio di soccorso" (residence for relief), which acknowledges the legal right of the poor to obtain relief and on the basis of which institutions are established. The Italian legislation provides for (a) medical assistance to the poor; (b) free medicines for the poor; (c) the upkeep of poor lunatics; (d) the upkeep of the poor, unable to work; (e) the upkeep of foundlings; (f) assistance to war-orphans; (g) assistance to disabled war-veterans; (h) assistance to, and care of, abandoned orphans and minors, the poor blind and deaf-mutes; (i) emergency hospitalization; (j) assistance to persons affected by

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venereal disease, malaria or pellagra: (k) assistance to persons affected by tuberculosis or rabies: (l) assistance to lepers.

74. Since 1900 "legal" charity has been supplemented in three different ways: (a) by the development of social insurance, including insurance for workmen's compensation (1904-17), maternity (1910), unemployment, invalidity and old age (1919), tuberculosis (1927), family allowances (1934), and health (1943). (b) by the development of special assistance plans for mothers and infants and for the young and (c) by the development of special plans for persons directly affected by the war.

75. Civil servants (State, province and city employees) are entitled to a pension after having been employed a certain number of years. Regulations or labor contracts in industry and commerce call for a "security fund" for many classes of quasi-governmental or private employees: the security fund is recruited from amounts contributed by the employer and the employee and the fund is used for paying a bonus to the employee upon retirement or in case of disability.

76. A predominant characteristic of the Italian welfare structure (see Diagram - Table 18) is the duplication of function and lack of co-ordination and integration and relation one to another of the many charitable foundations and the more newly developed services. This is so, even though many of the welfare decrees or statutes, particularly those creating the communal assistance agencies and the agency for mother and child welfare, speak of co-ordination and integration. Since the war this characteristic has been further emphasized by the creation of semi-autonomous national associations for services to special groups and by the sudden springing up of a number of voluntary committees, the intentions of which are a provision of service to persons in need.

77. A characteristic, which is a corollary of the first, is the lack of existence of any real standards or criteria for the operation of the different charitable foundations, and the lack of any clearly-defined welfare program for which the Government assumes responsibility. From the Statutes however, the provisions of which are often ambiguous, it might be concluded that, aside from the insurances, the Italian welfare program is one which provides for service or assistance to families in financial need, to children, and to groups of persons affected by the war (1). No special programs are defined for the aged, the blind, or the incapacitated, although independent institutions or agencies exist which offer some service to these groups.

78. Except for the responsibility of the Ministero dell'Assistenza Post-Bellica (MAPB - Ministry of Post-War Assistance) to grant assistance or service to certain groups affected by the war, no department of the central government is directly responsible for the administration of any welfare service. The responsibility for general supervision is to be exercized by the Ministry of the Interior and by the Prefects in the cases of social assistance to families and children and of institutional care. Actual administration of welfare services is in the hands of independent operating agencies, some of which are nation-wide bodies (enti parasiatali), while others are only provincial or local in range and are incorporated to serve their own communities as well as the nation (enti locali antarchici). The supervision exercized is in practice limited to the provision of funds, and this seems to be done largely on a basis of arbitrary apportionment of funds rather than on a basis of review and analysis of function performed and service offered in relation to need.

79. The Pontificia Commissione di Assistenza (PCA - Pontifical Assistance Committee) has also, since the war, functioned in the field of general assistance by the establishment, in the most devastated sections of the country, of soup kitchens, and, in some instances, by the provision of clothing to persons in need.

80. Another characteristic of the Italian welfare structure, for the relief of hardship and to mitigate the worst effects of poverty, is the bringing together of public and private effort in the same agency. This is done partly to make use of such good will and funds as are available, and partly because of the legal principle that every agency dedicated to public use ought to be subject to public regulation. This intermingling of the Governmental and the voluntary has made the Italian welfare picture extremely patchy, and has added to the confusion of function for different agencies and institutions.

*General Assistance.*

81. The general assistance agency in Italy is the Ente Comunale di Assistenza (ECA - Communal Assistance Body). Under its present name it dates back only to 1937. It is the successor to a body known from 1890

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insurance, including insurance for workmen's compensation (1904-17), maternity (1910), unemployment, invalidity and old age (1919), tuberculosis (1927), family allowances (1934), and health (1943), (b) by the development of special assistance plans for mothers and infants and for the young and (c) by the development of special plans for persons directly affected by the war.

75. Civil servants (State, province and city employees) are entitled to a pension after having been employed a certain number of years. Regulations or labor contracts in industry and commerce call for a "security fund" for many classes of quasi-governmental or private employees; the security fund is recruited from amounts contributed by the employer and the employee and the fund is used for paying a bonus to the employee upon retirement or in case of disability.

76. A predominant characteristic of the Italian welfare structure (see Diagram - Table 18) is the duplication of function and lack of co-ordination and integration and relation one to another of the many charitable foundations and the more newly developed services. This is so, even though many of the welfare decrees or statutes, particularly those creating the communal assistance agencies and the agency for mother and child welfare, speak of co-ordination and integration. Since the war this characteristic has been further emphasized by the creation of semi-autonomous national associations for services to special groups and by the sudden springing up of a number of voluntary committees, the intentions of which are a provision of service to persons in need.

77. A characteristic, which is a corollary of the first, is the lack of existence of any real standards or criteria for the operation of the different charitable foundations, and the lack of any clearly-defined welfare program for which the Government assumes responsibility. From the Statutes however, the provisions of which are often ambiguous, it might be concluded that, aside from the insurances, the Italian welfare program is one which provides for service or assistance to families in financial need, to children, and to groups of persons affected by the war (1). No special programs are defined for

(1) C.F. Policy Resolution (4) of the First Session of the UNRRA Council: "Within the framework of its total program and with the closest collaboration between the health, welfare and other appropriate organization units the Administration should make specific provision for welfare services for victims of war – in particular for children, expectant and nursing mothers, the aged and the disabled ...

Assistance) to grant assistance or service to certain groups affected by the war, no department of the central government is directly responsible for the administration of any welfare service. The responsibility for general supervision is to be exercized by the Ministry of the Interior and by the Prefects in the cases of social assistance to families and children and of institutional care. Actual administration of welfare services is in the hands of independent operating agencies, some of which are nation-wide bodies (enti parastatali), while others are only provincial or local in range and are incorporated to serve their own communities as well as the nation (enti locali antarchici). The supervision exercized is in practice limited to the provision of funds, and this seems to be done largely on a basis of arbitrary apportionment of funds rather than on a basis of review and analysis of function performed and service offered in relation to need.

79. The Pontificia Commissione di Assistenza (PCA - Pontifical Assistance Committee) has also, since the war, functioned in the field of general assistance by the establishment, in the most devastated sections of the country, of soup kitchens, and, in some instances, by the provision of clothing to persons in need.

80. Another characteristic of the Italian welfare structure, for the relief of hardship and to mitigate the worst effects of poverty, is the bringing together of public and private effort in the same agency. This is done partly to make use of such good will and funds as are available, and partly because of the legal principle that every agency dedicated to public use ought to be subject to public regulation. This intermingling of the Governmental and the voluntary has made the Italian welfare picture extremely patchy, and has added to the confusion of function for different agencies and institutions.

*General Assistance,*

81. The general assistance agency in Italy is the Ente Comunale di Assistenza (ECA - Communal Assistance Body). Under its present name it dates back only to 1937. It is the successor to a body known from 1890 to 1937 as the Congregazione di Carità (Congregation of Charity) whose function was to be the legal representative of "the poor of the commune."

82. The function of ECA is defined by law as direct and temporary general assistance, including aid in money or in kind or in services ("Assistenza generica

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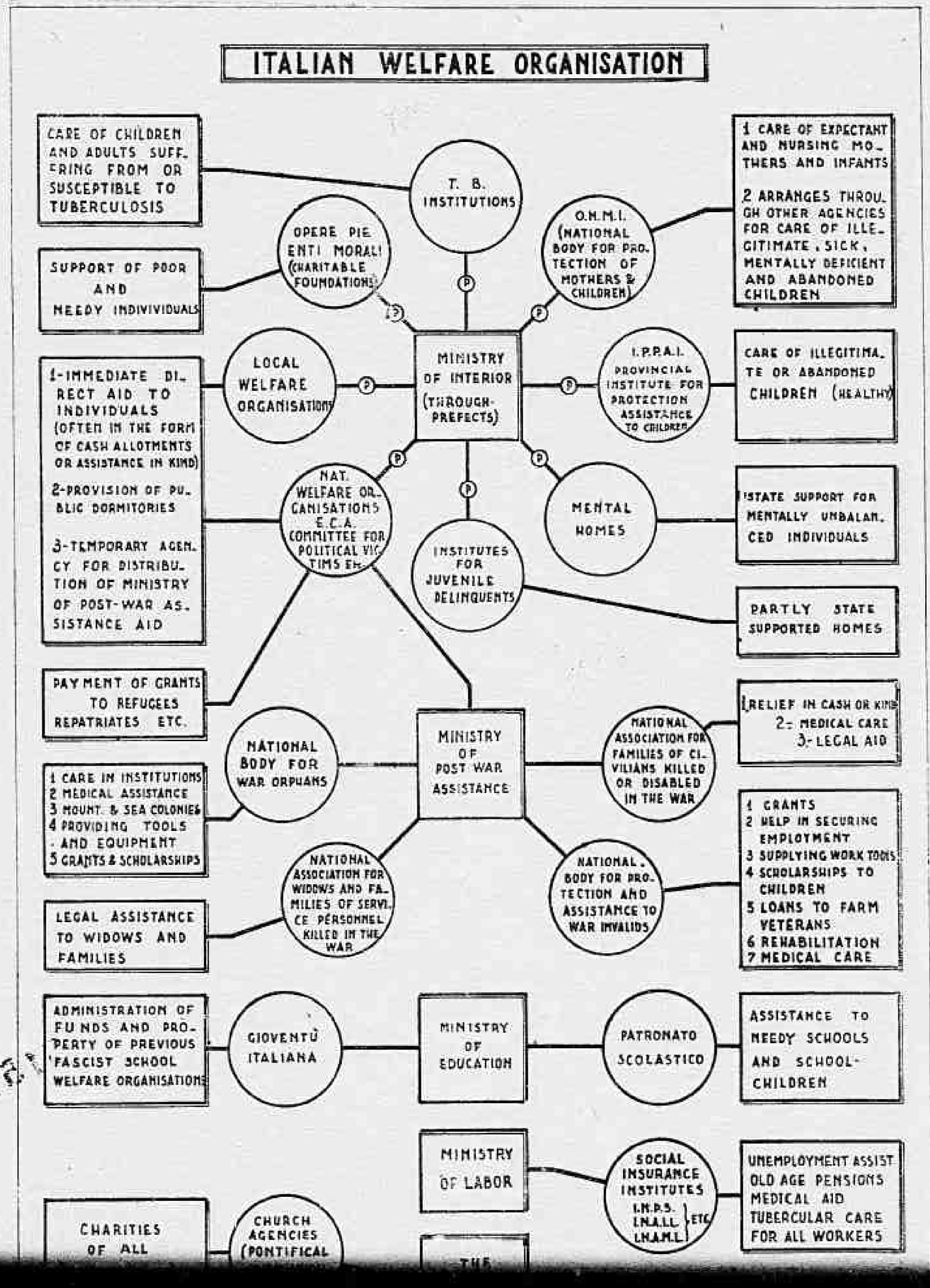
TABLE 18

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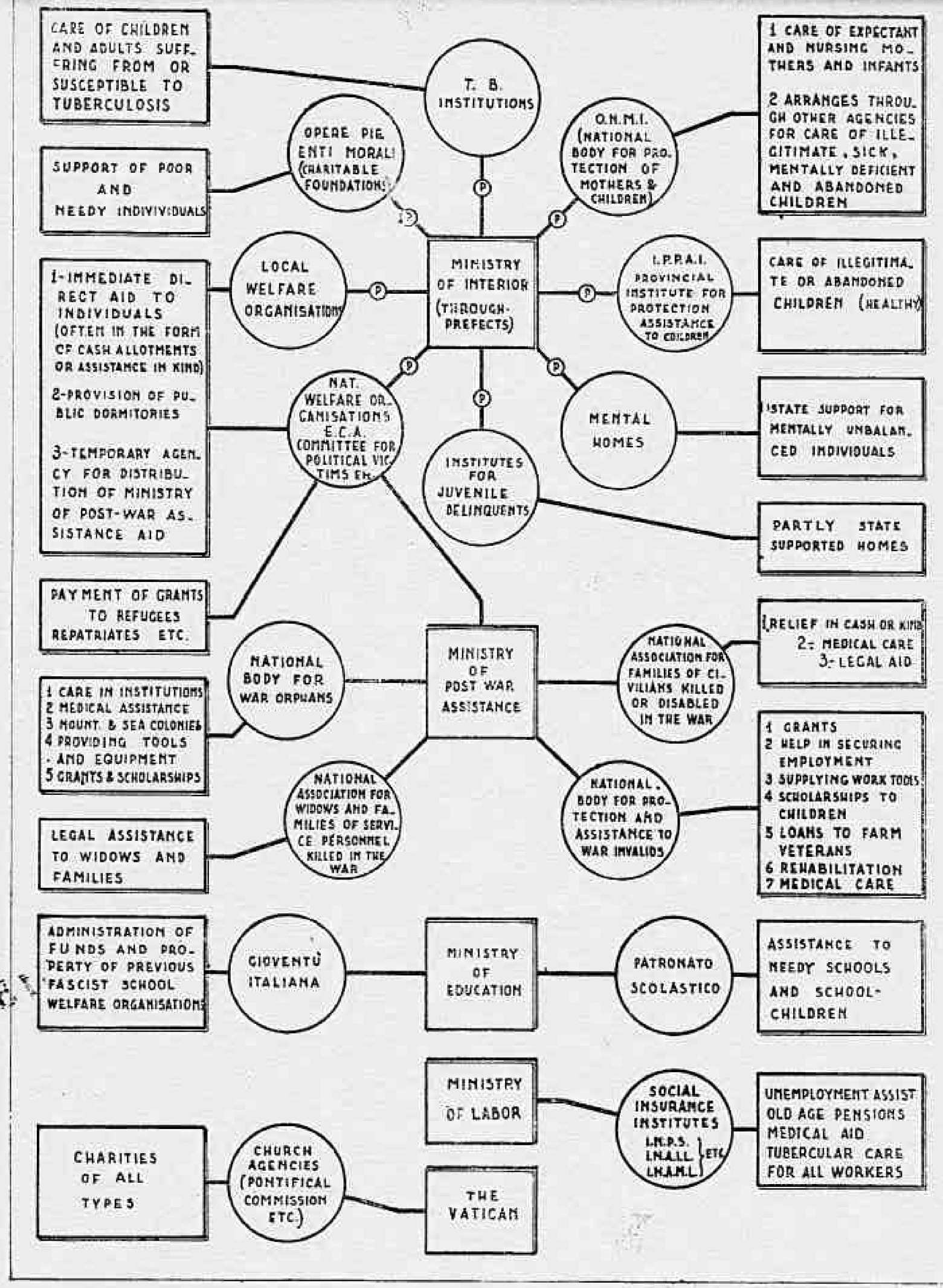


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immediata e temporanea, con soccorsi in denaro o in natura o con prestazione"). With the creation of ECA, provision was made for the first time in Italy for relief to be given in cash, so as to pay rent, redeem tools or household essentials from pawn, and meet similar monetary contingencies of urban life; and "prestazione" was vague enough to cover any and all services, from counseling to the making of loans or the arranging of regularly recurring help. Specifically, the functions of ECA mentioned by law are the provision of legal assistance, which consists of caring for the interests of the poor in the commune and of representing them in civil administrations and in court; assistance to the homeless poor by the furnishing of shelter and food relief; assistance to minors and aged sheltered in institutions by the payment of board to various institutions; emergency cash relief to certain classes of people who find themselves in temporary need. To qualify for the latter type of assistance, inability to work must be proven.

83. Under the law creating ECA, general assistance, as defined above, was not to be given by any agency other than the ECA. Any agency that presumed to do so was ipso facto to be fused with the ECA by the authority granted to the Prefettura to accomplish this.

84. The sources of ECA funds are the property and other resources which it took over from the Congregation of Charity; gifts and donations from private benefactors and public and quasi-public bodies such as Provinces, communes and organized employers and employees; and sums assigned to it each year from the revenue of a special 1% tax on other revenues for the purpose of social welfare.

*Child Welfare.*

85. The Opera Nazionale per la Protezione della Maternità e dell'Infanzia (ONMI - National Body for the Protection of Mothers and Children) is the agency in Italy which has the broadest responsibilities for child welfare activities. This nation-wide agency was organized in 1925 under the impetus of the fascist policy of stimulating an increase in Italy's population.

86. At the national level, ONMI is run by a council and executive committee, appointed by the various Ministries concerned, which are responsible for determining general policy and implementing it by the allocation of a national grant. At the provincial level, the law provides that all agencies which work with mothers and children are to be brought together in a delegated its right to visit and inspect all incorporated bodies that care for mothers and children. Before any new agency of this kind is incorporated, the opinion of this committee is sought. Its functions are in general supervisory. Operating responsibility rests mainly with communal "committees of patrons," who, normally before the war, included a spokesman for the ECA, a district doctor, a parish priest, and other citizens approved by the provincial federation. In practice, since the war, the ONMI provincial organization has limited its functions largely to the supervision of its separate centers known individually as "Casa della Madre e del Bambino."

87. In addition to its general supervisory and fact finding responsibilities for the protection of children and mothers, ONMI is authorized to provide the following types of service:

(a) Consultation for pregnant women, including medical service in ONMI "consulteri" or clinics.
(b) Meals for pregnant women and nursing mothers.
(c) Temporary care for mothers and children in maternity institutions.
(d) Assistance to children from pre-school to 18 years of age, including admission to pediatric clinics, provision of extra food and milk, day nurseries and nursery schools.
(e) Institutional care of abandoned, orphaned, illegitimate, neglected and impoverished children.

88. The functions of this agency, as specified by the law, are broad. In actual practice, however, since the war, the main emphasis in its activities has been on the physical care only of a relatively small number of pregnant women, nursing mothers and children up to six years of age, who can be served in the separate ONMI centers (Casa della Madre e del Bambino). Before the war, about 200 of the larger communes had established such centers, and many provinces provided ambulatoria (dispensaries) to enable the provincial committees to supplement the most needy of the poorer communes.

89. Statutory provision for the financing of the ONMI is by (a) endowments, legacies, gifts; (b) one-third of the ECA's income from investments entrusted to it for eleemosynary purposes; (c) dues levied on all member agencies; (d) part of the profit made by public pawnshops and by certain banks; (e) taxes on vacationists and bachelors; and (f) a national grant in aid stabilized at 103 million lire a year.

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90. The Patronato Scolastico dating from 1911, organized on a communal basis, is also responsible for some child welfare activities. The degree to which these responsibilities are discharged however, varies according to the volunteers comprising the local Patronato and the funds which they are able to raise. There is no

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determined Government contribution for the activities of the Patronato Scolastico. The services which by law, the Patronato is authorized to offer to needy school children are as follows: (a) distribution of hot or cold meals; (b) free distribution of text books, copy books, stationery and needlework materials according to the program for elementary schools; (c) free distribution of shoes and clothing; (d) supplying of eye-glasses, and (e) the provision of after-school programs for children.

91. Institutional care of children is provided by orphanages (orfanotrofi for children four to 18 years of age), and foundling homes (brefotrofi for children one to four years of age) which are under the control of the Prefettura, as well as by private religious and non-religious institutions.

92. Day nursery service for children is provided not only by ONMI, but by a large number of private and semi-private nurseries (asili), as well as by asili attached to the public school system.

93. The Pontifical Assistance Commission since the war has also made provision for day and institutional care of children.

*Charitable Foundations.*

91. Before the war, Italy had well over 20,000 charitable foundations (opere pie) with property worth well over 2,000 million lire. Ever since 1862 these charitable foundations have been incorporated by the State as "juridical persons." The State, through the Minister of the Interior and the Prefect has the right to inspect them, audit their accounts, and generally to reorganize them, although in practice it has seldom done so and has left them to be managed as they pleased. The coordination of these foundations by Governmental agencies has been envisaged by the law for over 50 years, but has never actually taken place. The number of persons assisted by Italian charitable foundations and the State contribution in 1939 are shown in Table 19.

TABLE 19

Italian Charitable Foundations in 1939

| Type of Foundation | No. of persons assisted | Cost of Govt. Assistance Thousand Lire |
|---|---|---|
| Elemosynary Foundations . | 1,113,000 | 60,000 |

Although the Government provides a proportion of the funds for all the above charities, in the case of mental hospitals the necessary expenses are entirely found by the Government.

95. Total expenditure by the State (Ministero degli Interni) for public charity and relief since 1913 has been as follows (in million lire):

| Financial Year | Million Lire | Million Lire, 1938 value |
|---|---|---|
| 1913-14 | 20 | — |
| 1916-17 | 15 | — |
| 1921-22 | 239 | 278 |
| 1926-27 | 170 | 188 |
| 1931-32 | 167 | 242 |
| 1936-37 | 259 | 327 |
| 1941-42 | 668 | 281 |
| 1946-47 | 3,757 | 194 |

96. The assistance given by the Pontifical Relief Committee, from January 1945 to June 1946 was as follows:—

| | | |
|---|---|---|
| Persons assisted . . . . . | | 1,929,765 |
| Food distributed . . . . . | (qls.) | 528,013 |
| Clothing . . . . . | (garments) | 420,393 |

*Services for Special Groups.*

97. Most of the groups for whom special service provisions have been made are those whose need can be traced directly to war causes, and the greater part of the assistance have been given since the end of the war.

98. Extensive legal provision for persons affected by the war was made by the decree of 31 July 1945 establishing the Ministry of Post-War Assistance. The primary purpose of this Ministry is to "provide, promote, direct and coordinate" the moral and material assistance of partisans, returning soldiers, prisoners of war, war internees and their families, refugees (internally displaced Italians), and other civilian war victims and repatriated Italians. The types of assistance offered to these groups are the provision of care in communal shelters or camps pending return to their own homes, the provision of a determined cash grant, and the provision of clothing.

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| Type of Foundation | No. of persons assisted | Cost of Govt. Assistance Thousand Lire |
|---|---|---|
| Eleemosynary Foundations | 1,113,000 | 60,000 |
| Day Nurseries | 376,000 | 15,000 |
| Orphanages | 83,000 | 106,000 |
| Hospitals | 1,230,000 | 665,000 |
| Beggar-homes | 125,000 | 87,000 |
| Old Peoples' Homes | 35,000 | 52,000 |
| Mental Hospitals | 87,500 | 313,000 |

been as follows (in million lire):

| Financial Year | Million Lire | Million Lire, 1938 value |
|---|---|---|
| 1913-14 | 20 | — |
| 1916-17 | 15 | — |
| 1921-22 | 239 | 278 |
| 1926-27 | 170 | 188 |
| 1931-32 | 167 | 242 |
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| 1941-42 | 668 | 281 |
| 1946-47 | 3,737 | 194 |

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| | | |
|---|---|---|
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| Food distributed | (qls.) | 528,013 |
| Clothing | (garments) | 420,393 |

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99. Other national associations offering service to persons affected by the war are (a) the Comitato Nazionale per Vittime Politiche (National Committee for Political Victims); (b) the Associazione Nazionale per le Famiglie dei Civili Caduti e Invalidi per Cause di Guerra (National Association for Families of Civilians

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Killed or Disabled as a Result of the War); (c) the Ente Nazionale per la Protezione e l'Assistenza agli Invalidi di Guerra (National Body for Protection of and Assistance to Invalids of the War); (d) the Associazione Nazionale per Vedove di Guerra e le Famiglie dei Caduti (National Association for Widows and Families of those who Died in the War); (e) the Associazione Nazionale per Orfani di Guerra (National Body for War Orphans), and (f) the Pontificia Commissione di Assistenza.

100. The National Organization for Protection and Assistance to War Invalids, and the National Association for Families of Persons Killed in the War, work under the general direction of the Ministry of Post-War Assistance.

101. The Organization for Protection and Assistance to War Invalids is authorized to offer the following types of assistance to invalided war veterans: (a) grants (from a minimum of 500 lire to a maximum of 15,000 lire according to the individual case) to needy invalid veterans in exceptional instances; (b) help in securing employment; (c) supplying work tools; (d) placement of sons of invalid veterans in institutions, and granting of scholarships (about 300,000 lire per annum); (e) loans to those veteran farm laborers who, because of their invalidity, are unable to work; (f) re-education and rehabilitation of invalid veterans in 20 institutions; (g) distribution of drugs and orthopaedic appliances; and (h) hospital care. The total number of persons assisted by this organization before the war was 150,000. In 1945, the number increased to 260,000. Plans for assistance during 1946 require 200 million lire. One hundred million lire already have been allocated by the Ministry of Post-War Assistance, which is the normal source of funds.

102. The National Association for Families of Persons Killed in the War is authorized to grant legal and financial assistance to widows and families of those who died in the war. Economic assistance includes grants (from a minimum of 300 to a maximum of 1,000 lire each) and care for orphans in institutions. The Association owns two rest homes where widows in need, because of economic and health conditions, receive care. The total number of persons assisted at the present time is about 400,000, which is approximately the same as the number assisted before the war. Funds are provided through receipts from dues payable to the Association (two lire per member a year) and through

(d) distribution of work tools and equipment and (e) grants and scholarships. The Ministry of Post-War Assistance is the Body's source of funds. For the year 1946, 105 million lire were allocated for its work.

104. The National Committee for Political Victims was organized after the war under the presidency of the Mayor of Rome. The Committee is composed of representatives of six political parties and of a representative of the Ministry of Treasury. Persons cared for by this Committee are those who have been persecuted for political reasons, and their families. The types of assistance the Committee is authorized to provide are: (a) payment of monthly allowances (1,000 lire monthly) to needy families of those who have either been shot by the Germans or who have been killed in guerilla action; (b) institutional care of children whose fathers were killed or deported by the Germans; (c) free medical and legal assistance to political victims and their families; and (d) the distribution of food and clothing. Three million lire are provided monthly by the Ministry of the Treasury for the work of this Committee. Other funds are derived from benefits and private contributions.

105. The Association of families of civilians killed, maimed and disabled by the war, was also organized in Rome after the war. It is authorized to provide relief in cash or kind, medical care and institutional care, assistance in filing claims for pensions, compensation, etc., for war-disabled civilians and dependents of war-disabled civilians. Funds for the Association's work were to be made available by the Ministry of the Interior, but up to 31 May 1946, no appropriation had been made. Some funds have been derived from private contributions.

*Effect of the War on Italian Welfare Services.*

106. Italian welfare services suffered an almost complete collapse as a result of the war. This occurred at a time when demands upon them were greater than ever. The loss of material resources through requisitioning, destruction and looting was great and the performance of their services was further impeded by financial difficulties. In addition, those institutions or agencies created by or associated with fascist ideology were shattered, and gave little promise of being easily or quickly reorganized or imbued with a new sense of purpose or a new set of values.

107. The high prices of essential articles and the

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103. Before the war, the National Body for War Orphans assisted about 45,000 persons. On 31 May 1946, the estimated number of orphans assisted was 200,000. The types of assistance offered are: (a) care in institutions, (b) medical assistance, (c) mountain and sea-side colonies which have not as yet been re-established.

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107. The high prices of essential articles and the rising service costs, together with restrictions on patrimonial income, depletion of reserves and the loss of material resources, almost threatened some of the institutions with a complete suspension of their activities and development. The general shortage of foodstuffs not only created serious situations in residential institutions and in agencies which normally conducted a cooked

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meal program, but also had an effect on the nature of the general assistance program. The facts of short supply and inflation led to a popular distrust of money payments and some demands for the substitution of assistance in kind.

108. With a rising cost of living, destruction of homes, loss of family members and personal effects, unemployment and shortages which became of long duration rather than temporary, a larger segment than usual of the Italian people exhausted any reserves of savings upon which to fall back. Large numbers of persons who did not normally have to ask assistance became dependent upon it, particularly for food.

109. In these disturbed circumstances, communal feeding became an important means of relief. Under the Allied Military Government, cash relief continued to be paid by the ECA, and efforts were made to increase payments. In addition, soup kitchens for the general public were organized, and foods were made available to schools and institutions.

110. In addition to the economic disturbance with consequences for welfare action, there were considerable disruption of personnel and of organic relationships. The specialized service for youth was a branch of the fascist party; and the maternal and infant welfare service was closely associated with fascism, especially at the national and provincial levels. These services were especially affected by the dissolution of the fascist party. General assistance, being less centralized, survived more easily its divorce from the fascist party and the fascist syndicates.

111. Immediately after the war, there was considerable turnover of welfare agency personnel, the first effect of which was to create an almost total paralysis of operations and planning. Directing staff who had been associated with fascism left, and many of the new personnel had little, if any, knowledge of the operation of the services. The fact that few of the agencies had had a trained operating staff able to continue work despite the change in directing personnel, added to the confused picture.

112. Other tendencies which began to show themselves and which were perhaps a natural reaction to the centralized control of fascism, were a distrust of any direction from Rome, and the emergence of separate independent groups and institutions for the offering of welfare services. During fascism, voluntary service efforts which were not directly connected with fascism,

113. This tendency to create new institutions and committees, prompted by a sincere interest in offering services, but too seldom guided by an objective analysis of need persisted for two years. The creation of the Ministry of Post-War Assistance, and of the many national committees attached to it, stemmed to some extent, from this general tendency. It is only in 1946 that a desire is seen to coordinate some of the related services, and to plan services in relation to committee needs.

### *UNRRA's ROLE IN RELATION TO ITALIAN WELFARE SERVICES*

114. During 1945, UNRRA, as a result of a special Council resolution, was authorized to undertake in Italy a limited program of care and welfare services to nursing and expectant mothers and children. This group was selected as the recipients of special service on the basis of surveys made earlier, which showed that of all the population, this group suffered the greatest as a result of the war. The supplies which UNRRA made available to the Italian Government were largely foodstuffs, and as a consequence, the welfare program during 1945, was commonly referred to as a "supplementary feeding program."

115. To assure a mutually acceptable distribution of UNRRA supplies, some basic guiding operating principles were agreed to by UNRRA and the Italian Government. These principles were:

(a) the feeding program was to be *supplementary* to and not in substitution for existing supplies;
(b) the program was to concern itself with needy children and nursing and expectant mothers, and the supplies were to be distributed free;
(c) the operation of the program was to be the responsibility of the Government, with UNRRA limiting itself to the provision of supplies and consultant services;
(d) decisions on the criteria of selecting recipients and methods of distribution were to be joint UNRRA-Government decisions;
(e) relief was to be distributed on an equal basis of eligibility and free of discrimination on account of race, religion or political belief;
(f) use was to be made of existing agencies and institutions and no attempt was to be made to create a new structure.

[illegible] Ministry or other central

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108. With a rising cost of living, destruction of homes, loss of family members and personal effects, unemployment and shortages which became of long duration rather than temporary, a larger segment than usual of the Italian people exhausted any reserves of savings upon which to fall back. Large numbers of persons who did not normally have to ask assistance became dependent upon it, particularly for food.

109. In these disturbed circumstances, communal feeding became an important means of relief. Under the Allied Military Government, cash relief continued to be paid by the ECA, and efforts were made to increase payments. In addition, soup kitchens for the general public were organized, and foods were made available to schools and institutions.

110. In addition to the economic disturbance with consequences for welfare action, there were considerable disruption of personnel and of organic relationships. The specialized service for youth was a branch of the fascist party; and the maternal and infant welfare service was closely associated with fascism, especially at the national and provincial levels. These services were especially affected by the dissolution of the fascist party. General assistance, being less centralized, survived more easily its divorce from the fascist party and the fascist syndicates.

111. Immediately after the war, there was considerable turnover of welfare agency personnel, the first effect of which was to create an almost total paralysis of operations and planning. Directing staff who had been associated with fascism left, and many of the new personnel had little, if any, knowledge of the operation of the services. The fact that few of the agencies had had a trained operating staff able to continue work despite the change in directing personnel, added to the confused picture.

112. Other tendencies which began to show themselves and which were perhaps a natural reaction to the centralized control of fascism, were a distrust of any direction from Rome, and the emergence of separate independent groups and institutions for the offering of welfare services. During fascism, voluntary service efforts, which were not directly connected with fascism, had been discouraged, and after the war there was a swing to the other extreme. Most of these new groups and institutions had no resources nor a very clear concept of functions, and without guidance, direction and central coordinating effort, merely tended to add to confusion without filling in any of the real gaps in the Italian welfare services.

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### *UNRRA's ROLE IN RELATION TO ITALIAN WELFARE SERVICES*

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(d) decisions on the criteria of selecting recipients and methods of distribution were to be joint UNRRA-Government decisions;
(e) relief was to be distributed on an equal basis of eligibility and free of discrimination on account of race, religion or political belief;
(f) use was to be made of existing agencies and institutions and no attempt was to be made to create a new structure.

116. The lack of any Ministry or other central authority concerned with overall welfare problems, and having responsibility for welfare planning, created some early difficulties in getting the UNRRA program started. The appointment by the Government, however, of the Italian Delegation for Relations with UNRRA, as the official liaison body through which UNRRA was to

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work, effected a partial solution to this problem. By necessity, the Italian Delegation office extended its functions from that of a purely policy-making and liaison body to one responsible for supervising and directing the policy's execution.

117. The question of a local organization for program operations presented, in the early period, even greater difficulties. After preliminary surveys of area needs were made by UNRRA welfare staff, it became apparent that some local coordinating group was necessary if the Government and UNRRA were to be assured that the welfare needs of women and children were to be met on a uniform basis.

118. The Government and UNRRA had accepted the principle of utilizing existing agencies, and at one period it was envisaged that perhaps ONMI, the national child care organization might be used. During the period of Allied advance however, the local ONMI committees had been left largely to their own desires, ONMI finances had been disrupted, and the organization was far from ready to assume general supervising responsibilities for a new program. Other organizations which could be used were the private and religious agencies, the latter very numerous. ECA, the charitable foundations and the Patronati Scolastici. All were carrying on as best they could, depending on local conditions and financial resources, but all were handicapped physically and financially as a result of the war, and no one body could assume overall direction of the program.

119. To meet this situation, the Government and UNRRA decided on the organization of Provincial Committees with a full-time paid executive secretary, to function as the local unit responsible for program operation. These committees work under the chairmanship of the Prefect and are composed of the provincial doctor, the provincial school superintendent, the provincial representative of the Sezione Provinciale Alimentazione (SEPRAL - Provincial Food Office), the rationing agency, the provincial representative of the Ministry of Post-War Assistance, the Bishop of the Diocese, and the Director of the Provincial Federation of ONMI. These committees have functioned largely as coordinating and supervisory bodies, depending upon individual agencies and institutions within the province to make the selection of individuals to be assisted, and actually to distribute the UNRRA supplies. The Provincial Committees which are responsible to the Italian

structure in the country. The use of committees was not new to Italian practice, and under existing laws, the Prefect and Vice-Prefect have responsibilities for coordinating and directing welfare services within the province. Without staff, this responsibility had seldom been discharged, and the formal organization of provincial committees with a full-time secretary, provided the means by which a beginning could be made in the direction of analyzing and planning for community needs.

121. From Rome, the Italian Delegation's office allocated food for Provincial Committees, and these committees selected the communes and agencies to distribute the supplies. UNRRA welfare staff was assigned to regions throughout Italy to function in an advisory and consultant capacity to Provincial Committees. Food distribution began in April 1945 in the cities of Naples and Rome and in five provinces in the so-called "devastated area"—Frosinone, Latinia, Aquila, Chieti and Pescara.

122. By June 1945, 23 Provincial Committees were functioning, and by the end of September 1945 food was being distributed in 48 provinces. In December 1945 additional provinces were transferred to the jurisdiction of the Italian Government and distribution began in these provinces during January 1946. Tables 20 and 21 show the number of children and mothers fed during the three months March to May 1946 and give an indication of the places where and the scale on which this assistance is now operating.

TABLE 20

Number of children and Expectant and Nursing Mothers Assisted by UNRRA, under Supplementary Feeding Schemes, for the three months: March to May 1946
(Classified by Regions)

| Regions | Cooked Meals | Raw products distribution | Total |
|---|---|---|---|
| Sardinia | 44,500 | 58,232 | 102,732 |
| Sicily | 59,831 | 93,798 | 153,629 |
| Calabria | 44,232 | 27,459 | 71,691 |
| Lucania | 13,222 | 10,543 | 23,765 |
| Puglie | 94,469 | 37,943 | 132,412 |
| Campania | 163,891 | 118,042 | 281,933 |
| Abruzzi and Molise | 24,556 | 62,774 | 87,330 |
| Umbria | 21,125 | 8,235 | 29,360 |
| Marche | 15,799 | 37,278 | 53,077 |
| Lazio | 130,842 | 105,404 | 236,246 |
| Tuscany | 92,667 | 40,701 | 133,368 |
| Emilia | | | |

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119. To meet this situation, the Government and UNRRA decided on the organization of Provincial Committees with a full-time paid executive secretary, to function as the local unit responsible for program operation. These committees work under the chairmanship of the Prefect and are composed of the provincial doctor, the provincial school superintendent, the provincial representative of the Sezione Provinciale Alimentazione (SEPRAL - Provincial Food Office), the rationing agency, the provincial representative of the Ministry of Post-War Assistance, the Bishop of the Diocese, and the Director of the Provincial Federation of ONMI. These committees have functioned largely as coordinating and supervisory bodies, depending upon individual agencies and institutions within the province to make the selection of individuals to be assisted, and actually to distribute the UNRRA supplies. The Provincial Committees which are responsible to the Italian Delegation issue general policies and instructions to the individual operating agencies.

120. This arrangement for the use of provincial committees and the regularly established agencies was consistent with the generally agreed-upon principle to utilize established agencies and not to create any new the means by which a beginning could be made in the direction of analyzing and planning for community needs.

121. From Rome, the Italian Delegation's office allocated food for Provincial Committees, and these committees selected the communes and agencies to distribute the supplies. UNRRA welfare staff was assigned to regions throughout Italy to function in an advisory and consultant capacity to Provincial Committees. Food distribution began in April 1945 in the cities of Naples and Rome and in five provinces in the so-called "devastated area"—Frosinone, Latinia, Aquila, Chieti and Pescara.

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| Lucania | 13,222 | 10,543 | 23,765 |
| Puglie | 94,469 | 37,943 | 132,412 |
| Campania | 163,891 | 118,042 | 281,933 |
| Abruzzi and Molise | 24,556 | 62,774 | 87,330 |
| Umbria | 21,125 | 8,235 | 29,360 |
| Marche | 15,799 | 37,278 | 53,077 |
| Lazio | 130,842 | 105,404 | 236,246 |
| Tuscany | 92,667 | 40,701 | 133,368 |
| Emilia | 35,829 | 130,641 | 166,470 |
| Liguria | 28,865 | 14,018 | 42,883 |
| Piedmont | 54,283 | 19,373 | 73,656 |
| Lombardy | 103,744 | 53,014 | 156,758 |
| Veneto | 84,039 | 50,895 | 134,934 |
| Trentino | 9,238 | 5,433 | 14,671 |
| | 1,021,102 | 873,783 | 1,894,885 |

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TABLE 21

UNRRA Supplementary Feeding of Mothers and Children: March to May 1946.

| CATEGORY | March | | April | | May | |
|---|---|---|---|---|---|---|
| | Cooked Meals | Raw Products distribution | Cooked Meals | Raw Products distribution | Cooked Meals | Raw Products distribution |
| *Children* | No. | No. | No. | No. | No. | No. |
| 0–12 months . . . | 10,522 | 71,119 | 11,367 | 76,791 | 10,338 | 76,962 |
| 1–3 years . . . | 75,004 | 226,356 | 73,891 | 241,709 | 75,449 | 238,047 |
| 4–8 " . . . | 416,970 | 218,002 | 445,192 | 205,449 | 476,085 | 189,022 |
| 9–15 " . . . | 423,957 | 256,107 | 455,149 | 244,305 | 475,188 | 220,904 |
| *Expectant mothers* . . | 17,878 | 61,436 | 19,582 | 72,603 | 18,900 | 59,689 |
| *Nursing mothers* . . . | 17,946 | 57,203 | 19,817 | 47,851 | 20,568 | 57,093 |
| Total. . . | 962,277 | 890,723 | 1,024,501 | 888,908 | 1,076,528 | 841,717 |

123. No final decision has yet been reached on whether the UNRRA Welfare Feeding Program will continue as such after 30 September 1946. The UNRRA Mission in Italy favor:

(a) the desirability in existing circumstances of continuing some form of welfare assistance in kind after 30 September 1946;

(b) the integration of the requirements for the assistance rations in para. 122 into the national rationing system under the control of the High Commissioner for Food; and

(c) the continued use of the Italian Delegation's Provincial Welfare Committees as "certifying" authorities, and distribution agencies for the food after they have received the requisite quantities through the Provincial Food Office.

124. Discussions are taking place between the UNRRA Mission, the High Commissioner for Food's Office and the Italian Delegation for Relations with UNRRA on point (b) in para. 123. It is hoped that all persons in need, who cannot afford to purchase non-rationed foods on the open market, will be assured of an amount of food, of necessity determined by supplies, which will be in addition to their basic ration. It is envisaged that the distribution of these additional foods will be done by established welfare agencies or institutions as a part of their overall programs for assistance to persons in need. All special classes of persons and those receiv-

125. UNRRA has already distributed a large amount of used clothing to needy people in Italy. Table 22 shows the distribution which had taken place up to 15 August 1946. Up to this date this distribution has been only to categories of persons assisted by the Ministry of Post-War Assistance, such as refugees, returning prisoners of war and bombed out persons. Future distribution plans, however, call for a distribution of materials made from the raw wool and cotton imported by UNRRA to all persons in need who are being assisted by established welfare agencies and institutions.

126. UNRRA has also helped the Ministry of Post-War Assistance in the execution of its program by providing material assistance and advice and consultation on program planning. UNRRA's main objective in its work with the Ministry of Post-War Assistance is to see that all persons now living in Italian displaced persons camps who can possibly be resettled in their home communities, leave the camps by the end of this year. The home repair program of CASAS will help in the achievement of this objective (see para. 152).

*UNRRA SUMMER COLONIES (CAMPS) IN 1946*

127. Summer colonies have been organized by UNRRA in collaboration with the following Italian Agencies: Italian Delegation for Relations with UNRRA; Ministry of Education; Ministry of Post-War Assistance; Italian Youth Commissariats (Commissariati per la Gioventù

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| | | | | | | |
|---|---|---|---|---|---|---|
| *Children* | No. | No. | No. | No. | No. | No. |
| 0–12 months . . . | 10,522 | 71,119 | 11,307 | 76,791 | 10,338 | 76,962 |
| 1–3 years . . . | 75,004 | 226,556 | 73,394 | 241,709 | 75,149 | 238,047 |
| 4–8 " . . . | 116,970 | 218,002 | 115,192 | 205,619 | 176,085 | 180,022 |
| 9–15 " . . . | 123,957 | 256,107 | 155,119 | 214,305 | 175,188 | 220,891 |
| *Expectant mothers* . . | 17,878 | 61,136 | 19,582 | 72,003 | 18,900 | 59,089 |
| *Nursing mothers* . . . | 17,946 | 57,203 | 10,817 | 17,851 | 20,568 | 57,099 |
| Total . . . | 962,277 | 890,723 | 1,024,501 | 888,908 | 1,076,528 | 841,717 |

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126. UNRRA has also helped the Ministry of Post-War Assistance in the execution of its program by providing material assistance and advice and consultation on program planning. UNRRA's main objective in its work with the Ministry of Post-War Assistance is to see that all persons now living in Italian displaced persons camps who can possibly be resettled in their home communities, leave the camps by the end of this year. The home repair program of CASAS will help in the achievement of this objective (see para. 152).

### *UNRRA SUMMER COLONIES (CAMPS) IN 1946*

127. Summer colonies have been organized by UNRRA in collaboration with the following Italian Agencies: Italian Delegation for Relations with UNRRA: Ministry of Education: Ministry of Post-War Assistance: Italian Youth Commissariats (Commissariati per la Gioventù Italiana): The Pontifical Commission (C.P.A. - Pontificia Commissione di Assistenza): Union of Italian Women (U.D.I. - Unione Donne Italiane): Italian Women's Committees (Comitati Italiani Femminili) and other less important agencies. The Provincial UNRRA Committees assumed responsibility within their provinces, for coordinating plans prepared by the above

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agencies, and for interpreting policy with respect to summer colonies which had been agreed upon by UNRRA and the Italian Government. This made it possible, province by province, to procure buildings and equipment for the colonies, the personnel for looking after the children, and other forms of cooperation in the field.

TABLE 22

## Distribution of Clothing by UNRRA

1945–46 (Position as at 15 August 1946)

| Region | Garments | Shoes (Pairs) | Bedding |
|---|---|---|---|
| | No. | | No. |
| Sardinia | 128,414 | 18,692 | — |
| Sicily | 325,350 | 63,800 | — |
| Calabria | 17,759 | 5,800 | 350 |
| Lucania | 11,862 | 3,970 | 420 |
| Puglie | 192,019 | 16,550 | 700 |
| Campania | 308,957 | 58,450 | 1,700 |
| Abruzzi and Molise | 229,773 | 54,630 | 900 |
| Umbria | 41,839 | 10,460 | 750 |
| Marche | 83,513 | 17,490 | — |
| Lazio | 661,820 | 114,901 | 2,010 |
| Tuscany | 359,319 | 93,305 | 9,705 |
| Emilia | 386,232 | 103,725 | 1,700 |
| Liguria | 70,800 | 21,660 | 1,200 |
| Piedmont | 225,330 | 32,000 | 1,400 |
| Lombardy | 381,090 | 53,960 | 1,400 |
| Veneto | 295,598 | 38,015 | 1,400 |
| Trentino | 33,100 | 6,000 | — |
| Venezia Giulia | 4,808 | 1,184 | — |
| Summer Colonies | — | — | 58,426 |
| Italian Camps | 127,492 | 40,886 | — |
| Additional distribution | 140,278 | 37,100 | 3,486 |
| | 3,935,378 | 792,148 | 85,547 |
| Distribution to non-Italians | 217,068 | 41,287 | 2,618 |
| TOTAL | 4,152,446 | 833,435 | 88,165 |

COST OF CLOTHING PROGRAM

| | | |
|---|---|---|
| Clothing | Lit. | 22,751,667 |
| Shoes | » | 21,604,988 |
| New production | » | 13,641,679 |

128. UNRRA has supplied food, bed material, cooking utensils, mess utensils, tents, etc. The financial backing of this assistance, which amounts to 90,908,655 lire, has been supplied from the Lira Fund (money provided by the sale of goods supplied free to Italy by UNRRA).

129. The number of children assisted by UNRRA Summer colonies is 782,000 of whom 142,000 are in permanent colonies and 640,000 in daily colonies. The average stay of children in UNRRA colonies is 2 months: July and August. The colonies are situated in specially healthful districts in the mountains, at the seaside, in national parks, etc.

130. Most of the assisted children (from 4 to 15 years of age) are those who usually receive UNRRA assistance all through the year. They have been selected by the agencies operating the colonies according to their poverty and health need, and following general selective policies agreed upon by UNRRA and the Italian Delegation, and interpreted by Provincial UNRRA Committees.

131. Food rations are those usually supplied by UNRRA feeding, plus considerable food supplements to improve to the utmost the health conditions of the children during their stay in the colonies. Table 26 shows the relative food value of the rations supplied.

132. In April 1945 when the UNRRA program started, the most immediate objective was to get food out quickly to those in need. As early as this date, however, certain long-time objectives were kept in mind, such as (a) the need to resuscitate and improve the quality of child care service offered, (b) to stimulate plans for meeting the problems of juvenile delinquency that had arisen since the war, (c) to rehabilitate those agencies which gave promise of continuing service, (d) to attempt to bring some order out of the chaos of the confused uncoordinated welfare picture so that overlapping and duplication of effort and expense could be avoided, and, (e) to attempt to get diverse groups within a community to work together toward a common goal in handling the needs of people.

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field.

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| Campania | 308,957 | 58,450 | 1,700 |
| Abruzzi and Molise | 229,773 | 54,630 | 900 |
| Umbria | 41,839 | 10,600 | 750 |
| Marche | 83,513 | 17,490 | — |
| Lazio | 661,820 | 114,901 | 2,010 |
| Tuscany | 359,319 | 93,305 | 9,705 |
| Emilia | 386,232 | 103,725 | 1,700 |
| Liguria | 70,800 | 21,660 | 1,200 |
| Piedmont | 225,350 | 32,900 | 1,400 |
| Lombardy | 381,090 | 58,060 | 1,400 |
| Veneto | 295,598 | 38,045 | 1,400 |
| Trentino | 33,100 | 6,000 | — |
| Venezia Giulia | 1,898 | 1,181 | — |
| Summer Colonies | — | — | 58,426 |
| Italian Camps | 127,402 | 40,886 | — |
| Additional distribution | 140,273 | 37,400 | 3,486 |
| | 3,935,378 | 792,148 | 85,547 |
| Distribution to non-Italians | 217,068 | 41,287 | 2,918 |
| TOTAL | 4,152,446 | 833,435 | 88,465 |

COST OF CLOTHING PROGRAM

| | | |
|---|---|---|
| Clothing | Lit. | 22,751,867 |
| Shoes | » | 24,694,988 |
| New production | » | 13,611,679 |
| Salvage | » | 5,742,117 |
| | Lit. | 66,830,451 |

The total number of persons to whom clothing has been distributed is 1,133,348.

by UNRRA).

129. The number of children assisted by UNRRA Summer colonies is 782,000 of whom 142,000 are in permanent colonies and 640,000 in daily colonies. The average stay of children in UNRRA colonies is 2 months: July and August. The colonies are situated in specially healthful districts in the mountains, at the seaside, in national parks, etc.

130. Most of the assisted children (from 4 to 15 years of age) are those who usually receive UNRRA assistance all through the year. They have been selected by the agencies operating the colonies according to their poverty and health need, and following general selective policies agreed upon by UNRRA and the Italian Delegation, and interpreted by Provincial UNRRA Committees.

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TABLE 23

## Ration Scale of Italian Government for Grain Products as in July 1946

| CATEGORIES | No. of ration cards | Daily rations | |
|---|---|---|---|
| | | Bread | Pasta |
| | | grs | grs |
| 1. NORMAL CONSUMERS (Non-Producers) — Bread (*) | 35,271,684 | 200 (*) | 66.6 |
| 1. NORMAL CONSUMERS (Non-Producers) — Pasta (*) | 35,417,221 | | |
| 2. SUPPLEMENTARY RATIONS (Consumers entitled to supplementary rations already included in para 1): | | | |
| Agricultural/Heavy workers | 3,181,565 | 100 | 20 |
| Very heavy Workers | 233,860 | 200 | 20 |
| Miners/Forestry Workers | 195,539 | 400 | 20 |
| Armed Forces Workers | 378,210 | 250 | 50 |
| 3. SPECIAL RATIONS (Consumers entitled to special rations not included in para 1): | | | |
| Hospital Patients and Staffs, Refugees, Returning P. O. W. | 527,733 | 350 | 85 |
| Public Security Agents, Mine Clearance Squads, Guardie Finanza e Forestali, Firemen, Municipal Police Guards, and Others | 150,058 | 125 | 75 |
| Civilian Prisoners in jails | 99,960 | 400 | 70 |
| Juvenile Delinquents in jails | 6,294 | 450 | 70 |
| Civilian Prisoners in Reformatories | 4,201 | 350 | 85 |
| Merchant Ships' Crews | 25,368 | 340 | (flour) |
| Consuls & their families, Foreign Correspondents | 2,955 | 500 | 175 |
| Feeding Points for Refugees at Railway Stations | 34,982 | 150 | 45 |
| 4. OTHER SUPPLEMENTS AND INDUSTRIAL MESSES (Consumers entitled to these supplements are already included in para 1, except Allied Nationals): | | | |
| Allied Nationals | 22,846 | 100 | — |
| Communal Feeding (Welfare) | 262,222 | — | 53 |
| Industrial Messes, Vatican Kitchens | 1,976,133 | — | 53 |
| School Feeding | 597,496 | 100 | 50 |
| Pregnant women at home | 133,670 | — | 150 |
| T. B. cases at home | 149,046 | 150 | 50 |
| 5. OTHER CATEGORIES (for which only the total *daily* requirement is known; figures in m. tons and in wheat equivalent): | | | |
| | Metric Tons | | |
| Mill workers, Bakers and Families | 8.70 | | |
| Seasonal Workers | 21.90 | | |

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| CATEGORIES | No. of ration cards | Daily rations | |
|---|---|---|---|
| | | Bread | Pasta |
| | | grs | grs |
| 1. NORMAL CONSUMERS (Non-Producers) — Bread (*) | 35,271,684 | 200 (**) | 66.6 |
| 1. NORMAL CONSUMERS (Non-Producers) — Pasta (*) | 35,417,221 | | |
| 2. SUPPLEMENTARY RATIONS (Consumers entitled to supplementary rations already included in para 1): | | | |
| Agricultural/Heavy workers | 3,181,565 | 100 | 20 |
| Very heavy Workers | 238,860 | 200 | 20 |
| Miners/Forestry Workers | 195,539 | 400 | 20 |
| Armed Forces Workers | 378,210 | 250 | 50 |
| 3. SPECIAL RATIONS (Consumers entitled to special rations not included in para 1): | | | |
| Hospital Patients and Staffs, Refugees, Returning P. O. W. | 527,733 | 350 | 85 |
| Public Security Agents, Mine Clearance Squads, Guardie Finanza e Forestali, Firemen, Municipal Police Guards, and Others | 150,056 | 425 | 75 |
| Civilian Prisoners in jails | 99,966 | 100 | 70 |
| Juvenile Delinquents in jails | 6,294 | 150 | 70 |
| Civilian Prisoners in Reformatories | 4,201 | 350 | 85 |
| Merchant Ships' Crews | 25,368 | 340 | (hour) |
| Consuls & their families, Foreign Correspondents | 2,955 | 500 | 175 |
| Feeding Points for Refugees at Railway Stations | 34,982 | 150 | 45 |
| 4. OTHER SUPPLEMENTS AND INDUSTRIAL MESSES (Consumers entitled to these supplements are already included in para 1, except Allied Nationals): | | | |
| Allied Nationals | 22,846 | 100 | — |
| Communal Feeding (Welfare) | 262,222 | — | 33 |
| Industrial Messes, Vatican Kitchens | 1,976,133 | — | 33 |
| School Feeding | 597,496 | 100 | 50 |
| Pregnant women at home | 133,670 | — | 150 |
| T. B. cases at home | 149,046 | 150 | 50 |
| 5. OTHER CATEGORIES (for which only the total *daily* requirement is known; figures in m. tons and in wheat equivalent): | | | |
| | Metric Tons | | |
| Mill workers, Bakers and Families | 8.70 | | |
| Seasonal Workers | 21.30 | | |
| Childrens Institutions | 30.28 | | |
| Other Categories (sick at Home, Blood Donors, etc.) | 75.00 | | |

(*) The difference between the two figures of ration cards is only due to the fact that some grain producers prefer to obtain the pasta ration card and deliver in exchange a quota of their legal grain retention for food.

(**) Bread ration increased to 250 grs as of 15 July 1946.

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TABLE 24

## Italian Government Ration Scale for Fats as on 15. July 1946

| CATEGORIES | No. of ration cards | Daily rations (grs) | Monthly rations (grs) |
|---|---|---|---|
| 1. NORMAL CONSUMERS (non-producers) | 35,384,043 | 6.1 | 183 |
| 2. SPECIAL RATIONS (Consumers entitled to special rations not included in in para 1): | | | |
| Hospital Patients and Staffs | 425,971 | 25 | 750 |
| Refugees in Camps, Returning P. O. W. | 101,802 | 6.6 | 198 |
| P. S. Agents, Mine Clearance Squads, Guardie Finanza, Guardie Forestali, Firemen, Municipal Police Guards, and Others | 150,056 | 28 | 840 |
| Civilian Prisoners in jails | 99,966 | 10 | 300 |
| Juvenile Delinquents in jails | 6,294 | 10 | 300 |
| Civilian Prisoners in Reformatories | 4,201 | 20 | 600 |
| Merchant Ships' Crews | 25,368 | 6.1 | 183 |
| Consuls & their Families, Foreign Correspondents | 2,955 | 25 | 750 |
| Refugees at Railway Stations | 15,504 | 5 | 150 |
| 3. OTHER SUPPLEMENTS AND INDUSTRIAL MESSES (Consumers entitled to these supplements already included in para 1): | | | |
| Communal Feeding (Welfare) | 262,222 | 5 | 150 |
| Industrial Messes | 1,931,833 | 5 | 150 |
| School Feeding | 597,496 | 5 | 150 |
| Pregnant Women at Home | 133,670 | 10 | 300 |
| T. B. cases at Home | 149,046 | 13.3 | 400 |
| 4. OTHER CATEGORIES (for which only the monthly requirement is known – figures in metric tons): | | | |
| Blood Donors | 12·82 | | |

TABLE 25

## Italian Government Ration Scale for Sugar as on 15. July 1946

| CATEGORIES | No. of ration cards | Daily rations (grs) | Monthly rations (grs) |
|---|---|---|---|
| 1. NORMAL CONSUMERS | 45,763,928 | 5 | 150 |
| 2. SPECIAL RATIONS (Consumers entitled to special rations not included in para 1): | | | |
| Hospital Patients and Staffs | 416,931 | 33 | 990 |
| Refugees in Camps, Returning P. O. W. | 101,802 | 33 | 990 |
| P. S. Agents, Mine Clearance Squads, Guardie Finanza, Guardie Forestali, Firemen, Municipal Police Guards, and Others | 150,056 | 28 | 840 |
| Civilian Prisoners in jails | 99,966 | 8.3 | 249 |
| Juvenile Delinquents in jails | 6,294 | 8.3 | 249 |
| Civilian Prisoners in Reformatories | 4,201 | 33 | 990 |

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| | | | |
|---|---|---|---|
| 1. NORMAL CONSUMERS (non-producers) | 35,384,043 | 6.1 | 183 |
| 2. SPECIAL RATIONS (Consumers entitled to special rations not included in in para 1): | | | |
| Hospital Patients and Staffs | 425,971 | 25 | 750 |
| Refugees in Camps, Returning P. O. W. | 101,802 | 6.6 | 198 |
| P. S. Agents, Mine Clearance Squads, Guardie Finanza, Guardie Forestali, Firemen, Municipal Police Guards, and Others | 150,056 | 28 | 840 |
| Civilian Prisoners in jails | 99,966 | 10 | 300 |
| Juvenile Delinquents in jails | 6,294 | 10 | 300 |
| Civilian Prisoners in Reformatories | 1,201 | 20 | 600 |
| Merchant Ships' Crews | 25,368 | 6.1 | 183 |
| Consuls & their Families, Foreign Correspondents | 2,955 | 25 | 750 |
| Refugees at Railway Stations | 15,504 | 5 | 150 |
| 3. OTHER SUPPLEMENTS AND INDUSTRIAL MESSES (Consumers entitled to these supplements already included in para 1): | | | |
| Communal Feeding (Welfare) | 262,222 | 5 | 150 |
| Industrial Messes | 1,861,883 | 5 | 150 |
| School Feeding | 597,496 | 5 | 150 |
| Pregnant Women at Home | 133,670 | 10 | 300 |
| T. B. cases at Home | 149,046 | 13.3 | 400 |
| 4. OTHER CATEGORIES (for which only the monthly requirement is known – figures in metric tons): | | | |
| Blood Donors 12·82 | | | |

TABLE 25

## Italian Government Ration Scale for Sugar as on 15. July 1946

| CATEGORIES | No. of ration cards | Daily rations (grs) | Monthly rations (grs) |
|---|---|---|---|
| 1. NORMAL CONSUMERS | 45,763,928 | 5 | 150 |
| 2. SPECIAL RATIONS (Consumers entitled to special rations not included in para 1): | | | |
| Hospital Patients and Staffs | 416,931 | 33 | 990 |
| Refugees in Camps, Returning P. O. W. | 101,802 | 33 | 990 |
| P. S. Agents, Mine Clearance Squads, Guardie Finanza, Guardie Forestali, Firemen, Municipal Police Guards, and Others | 150,056 | 28 | 840 |
| Civilian Prisoners in jails | 99,966 | 8.3 | 249 |
| Juvenile Delinquents in jails | 6,294 | 8.3 | 249 |
| Civilian Prisoners in Reformatories | 1,201 | 33 | 990 |
| Merchant Ships' Crews | 25,368 | 14 | 420 |
| Consuls & their Families, Foreign Correspondents | 2,955 | 20 | 600 |
| 3. OTHER SUPPLEMENTS (Consumers entitled to these supplements already included in para 1): | | | |
| Pregnant Women at Home | 133,670 | 10 | 300 |
| T. B. cases at Home | 149,046 | 10 | 300 |
| Artificially Fed Babies | 216,138 | 26.7 | 800 |

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TABLE 26

## Table of Rations for UNRRA Summer Camps: 27 June, 1946

Individual rations in grams for all assisted without distinction of age

### A) PERMANENT CAMPS

| Ration types | Powdered milk | Wheat-meal | Sugar | Flour | Fats | Dried legumes | Powd. legumes | Fish or meat | Dehydrated eggs | Marmalade |
|---|---|---|---|---|---|---|---|---|---|---|
| | DAILY RATIONS | | | | | | | | | |
| A) Ration card (1) . . . . . | — | — | 5 | 252 (1) | 6.6 | — | — | — | — | — |
| B) School meals . . . . . | 35.83 | | 5 | 86.33 | 10.0 | 15 | 15 | 15 | 7.5 | 25 |
| C) Suppl. Permanent UNRRA camps . | 4.17 | 12 | 5 | 93.67 | — | 45 | 15 | 18 | 12.5 | 25 |
| Total UNRRA ration (B+C) | 40.00 | 12 | 10 | 180.00 | 10.0 | 60 | 30 | 33 | 20.0 | 50 |
| Total ration permanent camps (A+B+C) | 40.00 | 12 | 15 | 432.00 | 16.6 | 60 | 30 | 33 | 20.0 | 50 |
| | MONTHLY RATION | | | | | | | | | |
| A) Ration card (1) . . . . . | — | — | 150 | 7,560 | 200 | — | — | — | — | — |
| B) School meals UNRRA . . . | 1,075 | — | 150 | 2,590 | 300 | 450 | 450 | 450 | 225 | 750 |
| C) Suppl. Permanent UNRRA camps . | 125 | 360 | 150 | 2,810 | — | 1,350 | 450 | 540 | 375 | 750 |
| Total UNRRA ration (B+C) | 1,200 | 360 | 300 | 5,400 | 300 | 1,800 | 900 | 990 | 600 | 1,500 |
| Total ration permanent camps (A+B+C) | 1,200 | 360 | 450 | 12,960 | 500 | 1,800 | 900 | 990 | 600 | 1,500 |

### B) DAILY CAMPS

(Rations in Grams)

| Ration types | Powdered milk | Wheat-meal | Sugar | Flour | Fats | Dried legumes | Powd. legumes | Fish or meat | Dehydrated eggs | Marmalade |
|---|---|---|---|---|---|---|---|---|---|---|
| | DAILY RATION | | | | | | | | | |
| A) School meals UNRRA . . . . | 35.83 | — | 5 | 86.33 | 10 | 15 | 15 | 15 | 7.5 | 25 |
| B) Suppl. Daily UNRRA camps . . | 4.17 | — | 5 | 113.67 | 5 | — | — | — | — | — |
| Total rations daily camps (A+B) | 40.00 | — | 10 | 200.00 | 15 | 15 | 15 | 15 | 7.5 | 25 |
| | MONTHLY RATION | | | | | | | | | |

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A) PERMANENT CAMPS

| Ration types | Powdered milk | Wheat-meal | Sugar | Flour | Fats | Dried legumes | Powd. legumes | Fish or meat | Dehydrated eggs | Marmalade |
|---|---|---|---|---|---|---|---|---|---|---|
| | DAILY RATIONS | | | | | | | | | |
| A) Ration card (I) | — | — | 5 | 252 (1) | 6.6 | — | — | — | — | — |
| B) School meals | 35.83 | — | 5 | 86.33 | 10.0 | 15 | 15 | 15 | 7.5 | 25 |
| C) Suppl. Permanent UNRRA camps | 4.17 | 12 | 5 | 93.67 | — | 45 | 15 | 18 | 12.5 | 25 |
| Total UNRRA ration (B+C) | 40.00 | 12 | 10 | 180.00 | 10.0 | 60 | 30 | 33 | 20.0 | 50 |
| Total ration permanent camps (A+B+C) | 40.00 | 12 | 15 | 432.00 | 16.6 | 60 | 30 | 33 | 20.0 | 50 |
| | MONTHLY RATION | | | | | | | | | |
| A) Ration card (I) | — | — | 150 | 7,560 | 200 | — | — | — | — | — |
| B) School meals UNRRA | 1,075 | — | 150 | 2,590 | 300 | 450 | 450 | 450 | 225 | 750 |
| C) Suppl. Permanent UNRRA camps | 125 | 360 | 150 | 2,810 | — | 1,350 | 450 | 540 | 375 | 750 |
| Total UNRRA ration (B+C) | 1,200 | 360 | 300 | 5,400 | 300 | 1,800 | 900 | 990 | 600 | 1,500 |
| Total ration permanent camps (A+B+C) | 1,200 | 360 | 450 | 12,960 | 500 | 1,800 | 900 | 990 | 600 | 1,500 |

B) DAILY CAMPS

(Rations in Grams)

| Ration types | Powdered milk | Wheat-meal | Sugar | Flour | Fats | Dried legumes | Powd. legumes | Fish or meat | Dehydrated eggs | Marmalade |
|---|---|---|---|---|---|---|---|---|---|---|
| | DAILY RATION | | | | | | | | | |
| A) School meals UNRRA | 35.83 | — | 5 | 86.33 | 10 | 15 | 15 | 15 | 7.5 | 25 |
| B) Suppl. Daily UNRRA camps | 4.17 | — | 5 | 113.67 | 5 | — | — | — | — | — |
| Total rations daily camps (A+B) | 40.00 | — | 10 | 200.00 | 15 | 15 | 15 | 15 | 7.5 | 25 |
| | MONTHLY RATION | | | | | | | | | |
| A) School meals UNRRA | 1,075 | — | 150 | 2,590 | 300 | 450 | 450 | 450 | 225 | 750 |
| B) Suppl. Daily UNRRA camps | 125 | — | 150 | 3,410 | 150 | — | — | — | — | — |
| Total ration daily camps (A+B) | 1,200 | — | 300 | 6,000 | 450 | 450 | 450 | 450 | 225 | 750 |

(1) Equal to 200 gr. of bread and 66.6 gr. of pasta.

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## *REVIVAL OF ITALIAN WELFARE SERVICES* (1)

133. The provision of food supplies to agencies for assistance of persons in need had an effect of strengthening and developing ancillary welfare activities. The lack of a single central authority (possibly designated as Ministry of Welfare) and of trained welfare workers and persons understanding welfare in its modern significance made the task difficult. Military authorities had, however, done much to impress the Italian authorities with the need for planned welfare services. There was thus a desire to progress on modern lines. The need was for experience in planning or executing broad welfare projects.

134. Whereas the Allied Control Commission approached the problem on the central level, continually pressing the Government for legislation for poor relief, social insurance and the provision of health services, the UNRRA staff concentrated more on leadership among local interested groups. The UNRRA purpose was to promote coordination among existing services and to extend the scope and thinking of those already concerned with welfare work.

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(1) *Note*: No evaluation has been made of the aggregate outlay by hospitals and public bodies (State, provinces, towns quasi-governmental bodies) for assistance and charity in their various forms. The major part of this expenditure for the financial year 1945-46 can be summarized as follows:

| | Million Lire |
|---|---|
| 1. Hospitals | 6,000 |
| 2. Subsidy from the State (Ministry of Interior) to hospitals and to all charitable institutions | 1,318 |
| 3. Expenditure by provinces for assistance to illegitimate children and for treatment of mental patients | 10,000 |
| 4. Expenditure Opera Nazionale Maternità Infanzia (O.N.M.I. National Organization for Maternity and Infancy) and other expenditure by the Ministry of Interior for assistance to children | 338 (2) |
| 5. The Ministry of Interior for communal relief institutions | 3,270 |
| 6. The High Commissariat for Hygiene and Public Health for: | |
| *a*) the campaign against: venereal diseases, leprosy, cancer, tuberculosis, trachoma, infectious diseases, malaria; | |
| *b*) public health; medical services on account of the state of war; medical services | |

135. For example, in the distribution of foods to children in schools, arrangements were made as early as the summer of 1945 in Rome and Naples for some supervized leisure activities to keep the children off the streets. Since that time other cities throughout Italy have made similar plans. In addition, a manual for guidance in preparing a school lunch meal was prepared. This manual has now been accepted by the Ministry of Education for use in future school lunch programs.

136. Throughout Italy, there continues to be expressed greater interest than ever in getting children back to school and in planning, within the educational structure, for meeting emotional and psychological needs of children, as well as for their need for academic instruction. Provincial Committees gradually began to see a welfare function as something broader than that of simply feeding children and, during 1946 in particular, there have been tangible evidences of these Committees really functioning as the one unit in the province able to assess community needs and to make plans for meeting them. The Italian Delegation Office, on its part, has arranged conferences of Provincial Committees' Secretaries in all the regions, so that their experience could be pooled and some stimulation could be given to the undertaking of surveys of welfare needs. UNRRA also assisted the Government in organizing five nutrition conferences in regions throughout Italy, and a plan for a national conference is contemplated for the Fall of 1946. With the assistance of the Italian Delegation, the Ministry of Post-War Assistance and individual social agencies, UNRRA has organized for three weeks during the month of September an institute for social service workers. This institute represents the first effort ever made in Italy to bring together for discussions of welfare problems representatives of different social agencies.

137. As a result of the efforts of the Italian Delegation Office and UNRRA, many indigenous agencies are beginning to show new initiative and to understand existing programs and develop new ones. Particularly in the north, where the Allied Commission had done much welfare work, local ONMI and ECA officers have shown enterprise and initiative in trying to meet the relief needs of their areas. In addition, some interest has been stimulated on a national level in reviewing and analyzing the existing structure for welfare purposes, with an aim toward creating a Ministry of Welfare, which would assume supervisory responsibility for the welfare services that are now scattered throughout the

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as Ministry of Welfare) and of trained welfare workers and persons understanding welfare in its modern significance made the task difficult. Military authorities had, however, done much to impress the Italian authorities with the need for planned welfare services. There was thus a desire to progress on modern lines. The need was for experience in planning or executing broad welfare projects.

134. Whereas the Allied Control Commission approached the problem on the central level, continually pressing the Government for legislation for poor relief, social insurance and the provision of health services, the UNRRA staff concentrated more on leadership among local interested groups. The UNRRA purpose was to promote coordination among existing services and to extend the scope and thinking of those already concerned with welfare work.

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(1) *Note*: No evaluation has been made of the aggregate outlay by hospitals and public bodies (State, provinces, towns quasi-governmental bodies) for assistance and charity in their various forms. The major part of this expenditure for the financial year 1945-46 can be summarized as follows:

| | Million Lire |
|---|---|
| 1. Hospitals . . . . . | 6,000 |
| 2. Subsidy from the State (Ministry of Interior) to hospitals and to all charitable institutions | 1,318 |
| 3. Expenditure by provinces for assistance to illegitimate children and for treatment of mental patients . . . . . | 10,000 |
| 4. Expenditure Opera Nazionale Maternità Infanzia (O.N.M.I. National Organization for Maternity and Infancy) and other expenditure by the Ministry of Interior for assistance to children . . . . . | 338 (2) |
| 5. The Ministry of Interior for communal relief institutions . . . . . | 3,270 |
| 6. The High Commissariat for Hygiene and Public Health for: | |
| a) the campaign against; venereal diseases, leprosy, cancer, tuberculosis, trachoma, infectious diseases, malaria; | |
| b) public health; medical services on account of the state of war; medical services in Sicily; Italian Red Cross . . . | 22,817 |
| Total . . | 43,743 |

(2) The Ministry of Interior's subsidy to O. N. M. I. for the fiscal year 1946-47 has been estimated at 450 million lire.

Source: Ministry of Interior.

This manual has now been accepted by the Ministry of Education for use in future school lunch programs.

136. Throughout Italy, there continues to be expressed greater interest than ever in getting children back to school and in planning, within the educational structure, for meeting emotional and psychological needs of children, as well as for their need for academic instruction. Provincial Committees gradually began to see a welfare function as something broader than that of simply feeding children and, during 1946 in particular, there have been tangible evidences of these Committees really functioning as the one unit in the province able to assess community needs and to make plans for meeting them. The Italian Delegation Office, on its part, has arranged conferences of Provincial Committees' Secretaries in all the regions, so that their experience could be pooled and some stimulation could be given to the undertaking of surveys of welfare needs. UNRRA also assisted the Government in organizing five nutrition conferences in regions throughout Italy, and a plan for a national conference is contemplated for the Fall of 1946. With the assistance of the Italian Delegation, the Ministry of Post-War Assistance and individual social agencies, UNRRA has organized for three weeks during the month of September an institute for social service workers. This institute represents the first effort ever made in Italy to bring together for discussions of welfare problems representatives of different social agencies.

137. As a result of the efforts of the Italian Delegation Office and UNRRA, many indigenous agencies are beginning to show new initiative and to understand existing programs and develop new ones. Particularly in the north, where the Allied Commission had done much welfare work, local ONMI and ECA officers have shown enterprise and initiative in trying to meet the relief needs of their areas. In addition, some interest has been stimulated on a national level in reviewing and analyzing the existing structure for welfare purposes, with an aim toward creating a Ministry of Welfare, which would assume supervisory responsibility for the welfare services that are now scattered throughout the several Governmental Ministries and semi-autonomous bodies.

138. Approaches were also made during this period for UNRRA assistance in the training of social workers, and the possibilities of local training and overseas fel-

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lowships. Plans have now been made for sending six persons from Italy to the U.S. and Great Britain for further training in the field of social work, and assistance has been given to four local schools of social work, in the organization of their curriculum.

*Present needs.*

139. For the remaining portion of this year, UNRRA will make food and clothing supplies available for those welfare services which the Government commits itself to continue during 1947.

140. With this end in view UNRRA has made a rough survey of the numbers of needy people at present in the country. An aggregate figure of over 7 million persons is, certainly, a conservative estimate. 6 million needy persons, out of a total of 7.3 million (see Table 27), are either unemployed or in families whose members are not employed. Should unemployment fall substantially, the number of persons needing assistance will decrease. But the figures appearing in Table 27 err on the low side since they do not include: (a) needy persons not necessarily included in the unemployed lists (if the low real wages level, the high partial unemployment and the substantial frequency of families with many members are taken into account, there is an appreciable number of needy persons excluded from the 6 million unemployed); (b) the number of 850,000 children and nursing mothers, in item "f" of Table 27 is an under-estimate, since in May 1946 the number of UNRRA-assisted persons was 1.9 million (see Tables 20 and 21); (c) over and above the number of the disabled, of the orphans, etc., appearing in item "d" of Table 27, relating to Ministry of Interior-controlled institutions, there are other disabled, homeless, etc., persons in other lay or religious institutions.

TABLE 27

Rough Estimate of the Number of Persons Needing Assistance in Italy: 1946

| | | | |
|---|---|---|---|
| *a*) UNEMPLOYED: Official figures of the Ministry of Labor for May 1946 (based on registration with labor exchanges) | | 1,546,000 | |
| *b*) ESTIMATED ACTUAL UNEMPLOYED (including non registered persons) | | 2,500,000 | |
| Of whom heads of families | | 1,500,000 | |
| *c*) Total unemployed including dependents (estimated at 2.3 to every head of family, on basis of official figures for 1936) say | | | 6,000,000 |
| *d*) Invalid asylums | Approx. figures of Ministry of Interior | | 100,000 |
| Orphanages | | | 155,000 |
| Homes for abandoned infants | | | 25,000 |
| *e*) Hospitals (incl. sanatoriums and lunatic asylums - 235,000 beds: about 70 % of total figure assumed to represent the needy) | | | 170,000 |
| *f*) O. N. M. I. (1945 figures) (1) | | | 250,000 (mothers) |
| | | | 600,000 (babies) |
| | | | 7,300,000 |

(1) The O.N.M.I. figures for 1945 are below those of 1938, but on the other hand necessarily duplicate a small percentage of the above unemployed figure.

*NEEDS DURING 1947 AND AFTER*

141. The needs of a large number of persons for help in securing a minimum level of subsistence and accommodation will persist in Italy not only during 1947 but for years thereafter. Not only are unemployment figures high, but, in addition, large numbers of returning

for four years. In many of the small communes where schools have been destroyed, there are today no buildings where children can be taught.

143. There are 60,000 returned prisoners of war, refugees from other provinces and bombed-out persons still living in temporary camps. The return of these

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139. For the remaining portion of this year, UNRRA will make food and clothing supplies available for those welfare services which the Government commits itself to continue during 1947.

140. With this end in view UNRRA has made a rough survey of the numbers of needy people at present in the country. An aggregate figure of over 7 million persons is, certainly, a conservative estimate. 6 million needy persons, out of a total of 7.3 million (see Table 27), are either unemployed or in families whose many members are taken into account, there is an appreciable number of needy persons excluded from the 6 million unemployed): (b) the number of 850,000 children and nursing mothers, in item "f" of Table 27 is an under-estimate, since in May 1946 the number of UNRRA-assisted persons was 1.9 million (see Tables 20 and 21): (c) over and above the number of the disabled, of the orphans, etc., appearing in item "d" of Table 27, relating to Ministry of Interior-controlled institutions, there are other disabled, homeless, etc., persons in other lay or religious institutions.

TABLE 27

Rough Estimate of the Number of Persons Needing Assistance in Italy: 1946

| | | | |
|---|---|---|---|
| *a*) UNEMPLOYED: Official figures of the Ministry of Labor for May 1946 (based on registration with labor exchanges) | | 1,546,000 | |
| *b*) ESTIMATED ACTUAL UNEMPLOYED (including non registered persons) | | 2,500,000 | |
| Of whom heads of families | | 1,500,000 | |
| *c*) Total unemployed including dependents (estimated at 2.3 to every head of family, on basis of official figures for 1936) say | | | 6,000,000 |
| *d*) Invalid asylums | Approx. figures of Ministry of Interior | | 100,000 |
| Orphanages | | | 153,000 |
| Homes for abandoned infants | | | 25,000 |
| e) Hospitals (incl. sanatoriums and lunatic asylums - 235,000 beds; about 70 % of total figure assumed to represent the needy) | | | 170,000 |
| *f*) O. N. M. I. (1945 figures) (1) | | | 250,000 (mothers) |
| | | | 600,000 (babies) |
| | | | 7,300,000 |

(1) The O.N.M.I. figures for 1945 are below those of 1938, but on the other hand necessarily duplicate a small percentage of the above unemployed figure.

### *NEEDS DURING 1947 AND AFTER*

141. The needs of a large number of persons for help in securing a minimum level of subsistence and accommodation will persist in Italy not only during 1947 but for years thereafter. Not only are unemployment figures high, but in addition, large numbers of returning soldiers, refugees and persons made homeless as a result of the war, are now found to be unemployable as a result of deprivations during the war.

142. Other social problems are being presented quite clearly and vividly. The needs of Italy's children are great. Many were without any direction or supervision for four years. In many of the small communes where schools have been destroyed, there are today no buildings where children can be taught.

143. There are 60,000 returned prisoners of war, refugees from other provinces and bombed-out persons still living in temporary camps. The return of these persons to homes, employment and a normal means of living is one of the most pressing problems that faces the country.

144. Pending the rehabilitation of Italian industry, agriculture and trade, it is only within a very restricted economy that welfare services can be carried on or the

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principle adopted of security for service and contribution. Adequacy is thus outside the reach of the Italian welfare services. Welfare services could, however, help those who are most in need to get their fair share of such supplies as are available. They could, with planning, offer service in social re-adjustment which would not draw too heavily on the country's resources.

145. To meet the needs of its people effectively, the Government must accept a major share of responsibility in the welfare field. However, until there is within the Government, some central unit responsible for analyzing and planning to meet the situation, efforts to bring assistance can only be sporadic. With great need and limited resources, the charitable foundations can no longer be expected to carry this burden. Their efforts will be needed, as well as the efforts of all voluntary groups, but to assure economy of effort and expenditure, the plans must be national, with the Government taking responsibility.

146. Almost greater than the need for material assistance is the need to relate the different rehabilitation activities of the Government and to focus them more sharply on their ultimate objective—that of providing a better living for the people. The plans for public work need to be closely related to the needs of refugees for housing and to the needs of children for school buildings. The plans of the employment offices need to be related to the needs of returning veterans, to the needs of persons receiving assistance from ECA, and to the needs of young persons coming from schools and institutions. Only with a central unit within the Government, able to present the needs of people, can such relating of plans be effectuated.

147. From now on, there would seem to be more reason than ever for the Prefettura to exercise its authority to coordinate and combine agencies and institutions to prevent overlapping and duplication. With the small amount of resources available in the country, the time would seem propitious to combine with other agencies those institutions without resources which now, by existing independently, cost their communities a sum disproportionate to the value of their service. The time would also seem opportune for existing welfare agencies to consider the employment of a few well-paid, qualified persons, who, in the long run, in terms of service rendered, would be less costly than a large number of poorly paid, unqualified people.

148. The needs of different parts of the country vary and the map—Table 28—indicates the relative degree of assistance required in the different provinces as a direct result of the war (based on unemployment figures and numbers of homeless). The "black" areas are those areas which were the scene of static warfare during the Italian campaign. The next worst areas shown in the map are, generally speaking, those containing large towns which were subjected to heavy air raids. It is to these groups of war affected areas that welfare assistance must be brought.

149. It is important to note that the shading on the map is not an indication of absolute need. The North of Italy has always been a far richer part of the country than the South and consequently the standard of living for people South of Rome is and always has been lower than those living in the North. Thus a map showing areas in need from all causes (not solely from war causes) would be more heavily shaded in the South. At the same time, the industrial population is mainly in the North, and it is in the large towns of the North that unemployment is most rife, and it is there that the need for welfare services is urgent.

## SPECIAL RELIEF PROJECTS AND THE WELFARE WORK OF VOLUNTARY SOCIETIES

150. Apart from the work of the Italian Government Welfare Organizations and that done by the Welfare Division of UNRRA in co-operation with them, a considerable amount of welfare activity is carried out in Italy by the Special Relief Projects Division of UNRRA and by the numerous Voluntary Relief Societies mainly working in conjunction with UNRRA.

(b) The processing of donated used clothing, shoes, salvaged material, etc., for distribution to needy Italians.

### (a) The CASAS Project.

152. A minimum of 1,000 million lire is being spent

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### I. - *SPECIAL RELIEF PROJECTS*

151. The two special projects at present being undertaken are:

(a) Repair and Reconstruction of war damaged houses in the badly devastated areas and

(b) The processing of donated used clothing, shoes, salvaged material, etc., for distribution to needy Italians.

#### (a) THE CASAS PROJECT.

152. A minimum of 1,000 million lire is being spent on a program of house-building and house repair in the war devastated regions of Emilia, Tuscany, Lazio and Abruzzi. The program is financed by an allocation from the special relief and rehabilitation fund known as the Lira Fund created by the sale in Italy of UNRRA supplies delivered free to the Italian Government. In addition, substantial foreign currency expenditure has been approved by UNRRA for truck-

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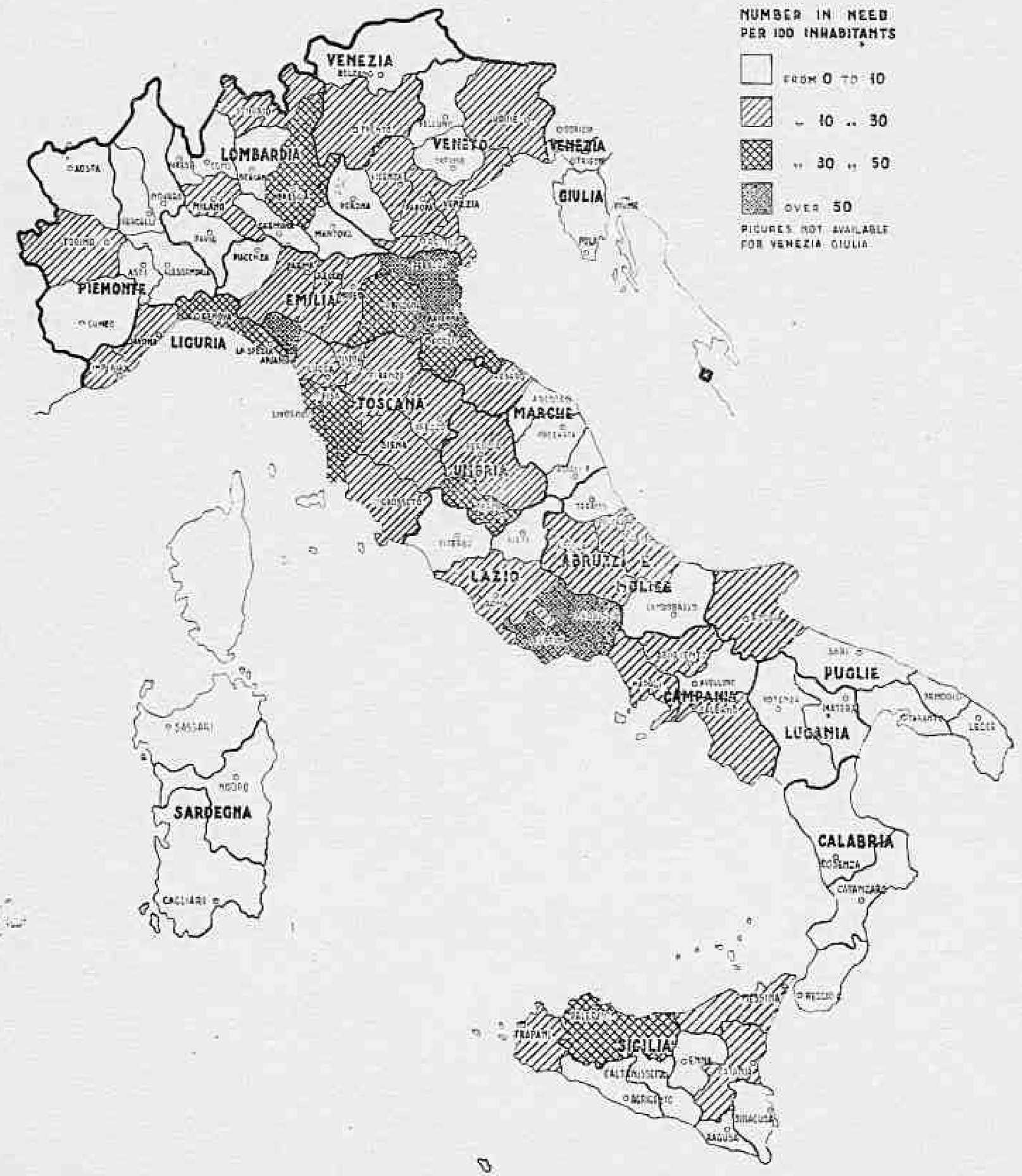
TABLE 28

## AREA DISTRIBUTION OF POPULATION IN NEED AS A RESULT OF THE WAR

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transport, and other charges involving payments abroad. The new housing project represents the logical next step in UNRRA's program of assisting war-displaced and homeless Italians to return to real homes. By these measures, it is planned to empty the barracks, camps and dispersal areas where the homeless are now congregated. The experience of UNRRA in Italy has clearly demonstrated that such a program is essential to meet the special needs of the existing emergency situation.

153. The work is being undertaken by CASAS (Comitato Amministrativo Soccorsi ai Senzatetto), a joint autonomous body composed of UNRRA, the Italian Government and official Government agencies. The aim was to repair 20,000 war-damaged houses, estimated to provide accommodation for 100,000 people and to construct upwards of 1,200 to 1,800 new dwellings. The largest number of new homes to be built in any one area will be erected at Cassino within the first period of 6 months.

154. The areas receiving assistance are those that suffered most during the prolonged fighting on the Gothic and Gustav Lines. In general, it is proposed to limit the work at first to the following provinces:—

*Emilia*: Ravenna, Bologna, Forli.

*Tuscany*: Apuania, Lucca, Livorno, Pisa.

*Lazio*: Frosinone, Latina, Rome.

*Abruzzi*: Chieti, Campobasso, Aquila.

It is proposed that the program will be extended subsequently to other needy areas of Italy.

*Method of Finance.*

155. The first six months' program is financed by the allocation of 1,000 million lire from the special relief and rehabilitation fund, and also by those grants normally payable from Government funds under the Italian War Damage Act. In accordance with Decree No. 305, of 9 June, 1945, a war damage grant may be made up to a maximum of 50 per cent. of the building cost, according to a householder's means, and subject to a limit of 300,000 lire in respect of any one undertaking.

156. UNRRA is providing the necessary internal transport, consisting of approximately 1,000 vehicles; and

157. CASAS is a combined operation by the following bodies: UNRRA Italian Mission, the Italian Government Delegation for Relations with UNRRA, the Ministry of Post-War Assistance, the Ministry of Public Works, the Treasury and the National Council for Research and Reconstruction. At the head of CASAS is Prof. Gustavo Colonnetti, President of the National Council for Research and Reconstruction. The work is organized through an Executive Committee, on which all the above bodies are represented.

158. CASAS was created by Decree. It is a special Government agency, possessing the necessary authority and freedom of action effectively to carry out its program without undue delay. The organization and operation of the program is an Italian responsibility. While, however, CASAS exists as a special agency to meet the needs of the present emergency, Italian Government agencies concerned with reconstruction are an integral part of it, and its program is co-ordinated with the Government's over-all housing plans.

*Homeless and Homes Destroyed.*

159. The urgency of this and similar undertaking is clearly indicated by the following figures of homeless and of homes destroyed. It is estimated that:—

| | | |
|---|---|---|
| Needy, homeless war displaced Italians | total | 854,000 |
| Rooms destroyed . . . . . | ,, | 1,800,000 |
| Rooms heavily damaged . . . . . | ,, | 1,100,000 |
| Rooms lightly damaged . . . . . | ,, | 2,700,000 |

160. The official Government estimate of the number of persons who previously occupied rooms destroyed or too severely damaged to be habitable is 3,450,000. But, in estimating the number of homeless, regard has been paid to those who are in real need; and, in default of alternative accommodation, are living under conditions of severe hardship in camps or in billets. To these must be added those, still more unfortunate, who are sheltering in caves or in semi-destroyed houses.

161. What is now to be done by CASAS represents a development and an extension of the work done by the Voluntary Society units attached to the UNRRA Italian Mission. Their work has been limited to house repair; they have not engaged in new construction. The repair work they are now carrying out in Abruzzi, Frosinone,

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156. UNRRA is providing the necessary internal transport, consisting of approximately 1,000 vehicles; and will procure as much as possible of the materials, equipment and machinery required for the development of the program, as are obtainable from war salvage, Army surplus or other sources. Finally, UNRRA is making available such of its own and Voluntary Society personnel as may be found necessary to assist in the effective execution of the program.

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161. What is now to be done by CASAS represents a development and an extension of the work done by the Voluntary Society units attached to the UNRRA Italian Mission. Their work has been limited to house repair; they have not engaged in new construction. The repair work they are now carrying out in Abruzzi, Frosinone, Latina, Apuania and Bologna has been absorbed into the CASAS program. The work of the Friends' Devastated Area Group in the Abruzzi, hitherto undertaken independently of UNRRA by members of the American Friends' Service Committee and the British Friends' Ambulance Unit, has also been incorporated in the CASAS program.

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*House Repair.*

162. Emphasis continues to be laid upon house repair, wherever that is practicable, rather than upon new construction, since by this means more people can be rehoused in permanent homes in less time. It is a fundamental principle of the CASAS project to provide permanent homes. The money is not being spent upon so-called temporary barracks, since it is almost certain that these unsatisfactory, emergency shelters would become permanent and would thus perpetuate the abnormal, and often unsanitary, conditions under which so many thousands of Italians are at present living.

163. "Homes—and Work" are the twin objectives of this housing program. The aim is to provide houses where families may live normal lives and where, above all, those now condemned to idleness in camps may once more earn their living by following their ordinary trades. In assessing the number of needy war homeless, one factor of considerable importance is that lack of houses is stopping many from going back to work. The new rehousing scheme is designed further to help employment in the devastated areas by the use, as far as possible, of local materials and by the employment of local craftsmen.

164. The CASAS program is one of self-help. To the fullest possible extent the labor of war-displaced persons is being used. Those to be rehoused are "little" men with insufficient resources to re-establish themselves on their own account, but who—once they are re-established—will themselves contribute towards the work of rehabilitation and reconstruction.

165. Where houses can be repaired for less than the 300,000 lire maximum prescribed by Decree No. 305, the owners receive assistance from CASAS, on the understanding that they and the able-bodied members of their families actively participate in the work. CASAS collaborate with the Genio Civile (civil engineer for the province) in making the State war-damage grant, normally payable only on the completion of repairs, quickly available in the form of building materials. CASAS chooses the areas where it is to operate and, in consultation with the local authorities, selects the needy persons to be helped. The building materials are purchased by the Genio Civile, or the owners themselves; and these materials are delivered in CASAS trucks, free of road transportation charges, from railhead to the towns or villages where they are needed. Owners thus benefit to the extent of the difference between purchase and

in addition, deserving persons who formerly owned small houses, now so far damaged as to be beyond repair, are eligible to occupy the new houses built by CASAS. They pay a nominal rent, and have the right later to buy their houses on an amortization basis. CASAS pays the building costs; the ground is normally provided by the Communes concerned. It is intended that the houses shall be turned over to the Communes and the occupants chosen by the communal authorities, in collaboration with CASAS.

167. Prospective owners, wherever possible, help in building their own homes. The work is done through local co-operative building societies, or through local contractors on a competitive basis, with the proviso that, where the prices and terms are approximately equal, preference is given to local co-operatives.

*Type of Construction.*

168. The houses are either separate cottages or composite blocks to accommodate two or, at the most, four families (see diagram - Table 29). The construction is simple, and does not call for skilled technicians. Rubble from ruined buildings can be used; wood can be salvaged.

*Housing Reconstruction to Date.*

169. Table 30 shows in graph form:

(a) the number of rooms repaired, initially by UNRRA Voluntary Societies, and subsequently under the CASAS project which took over operations in June 1946;

(b) the number of persons who have been rehoused in the premises;

(c) the amount of building materials (stone, sand, tiles, wood, etc.) transported in UNRRA or CASAS vehicles during the same period. This includes "backloading" i.e. return journeys from the housing sites during which the vehicles travel loaded.

170. The CASAS project took over field operations on 10 June 1946 and during the past few months has steadily built up its field organization.

171. With the increased availability of transportation the amount of reconstruction will now show a more rapid increase and the target program of 20,000 houses repaired should be completed by the end of 1946.

(b) THE PROCESSING PROJECT.

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*Classes Eligible for Homes.*

166. All those who, before the war, rented the houses they lived in, and own neither house nor land, and, the building costs; the ground is normally provided by the Communes concerned. It is intended that the houses shall be turned over to the Communes and the occupants chosen by the communal authorities, in collaboration with CASAS.

167. Prospective owners, wherever possible, help in building their own homes. The work is done through local co-operative building societies, or through local contractors on a competitive basis, with the proviso that, where the prices and terms are approximately equal, preference is given to local co-operatives.

*Type of Construction.*

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171. With the increased availability of transportation the amount of reconstruction will now show a more rapid increase and the target program of 20,000 houses repaired should be completed by the end of 1946.

(b) THE PROCESSING PROJECT.

172. The project has two main aims:

(a) To process clothes and shoes and to manufacture clothing as economically as possible for distribution to needy individuals.

(b) To provide work for refugees and inmates of institutions, etc.

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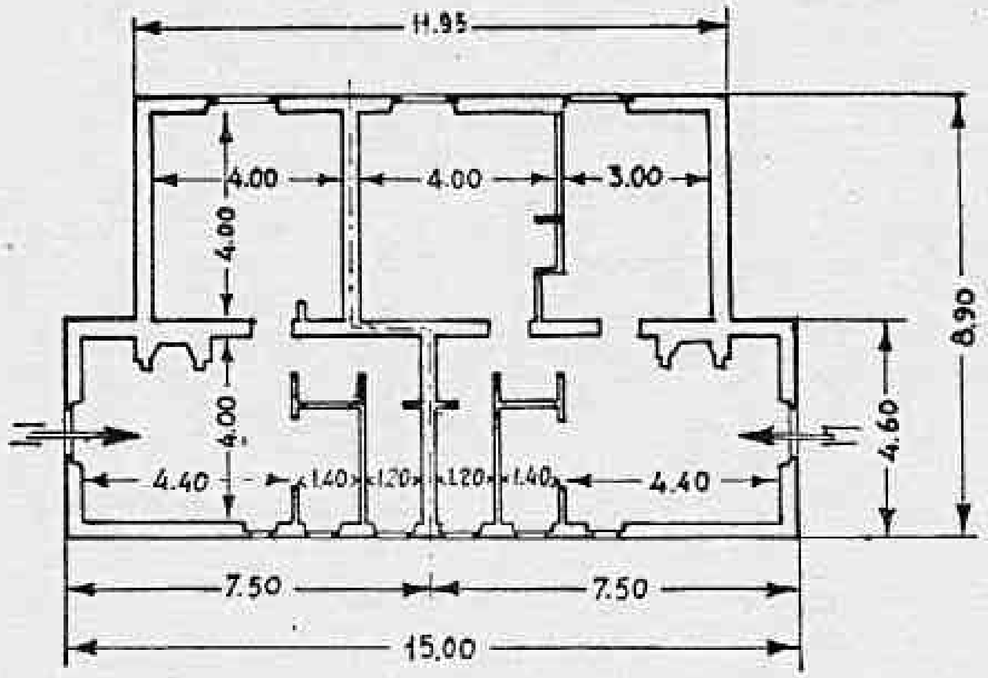
TABLE 29

# FLOOR PLAN
# U.N.R.R.A.~ CASAS
Scale 1:200

## TYPE A

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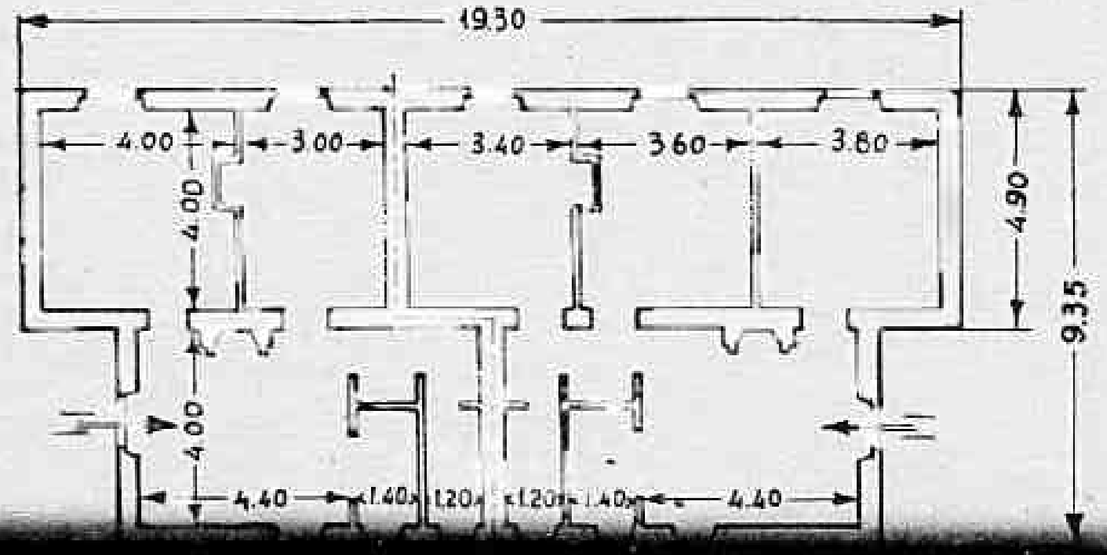


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U.N.R.R.A. - CASAS

Scale 1:200

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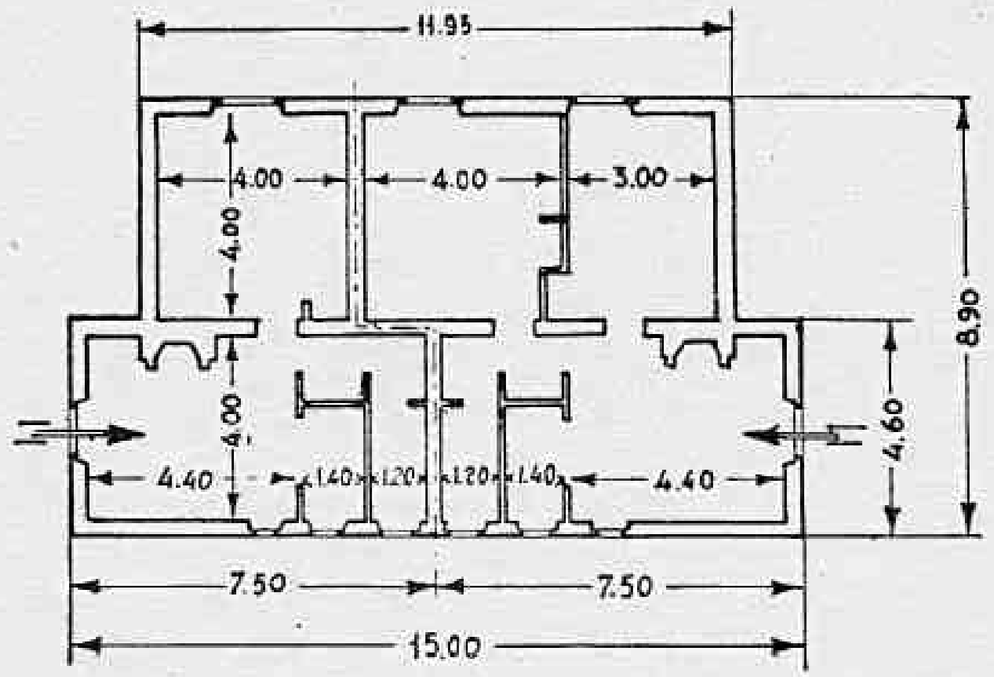


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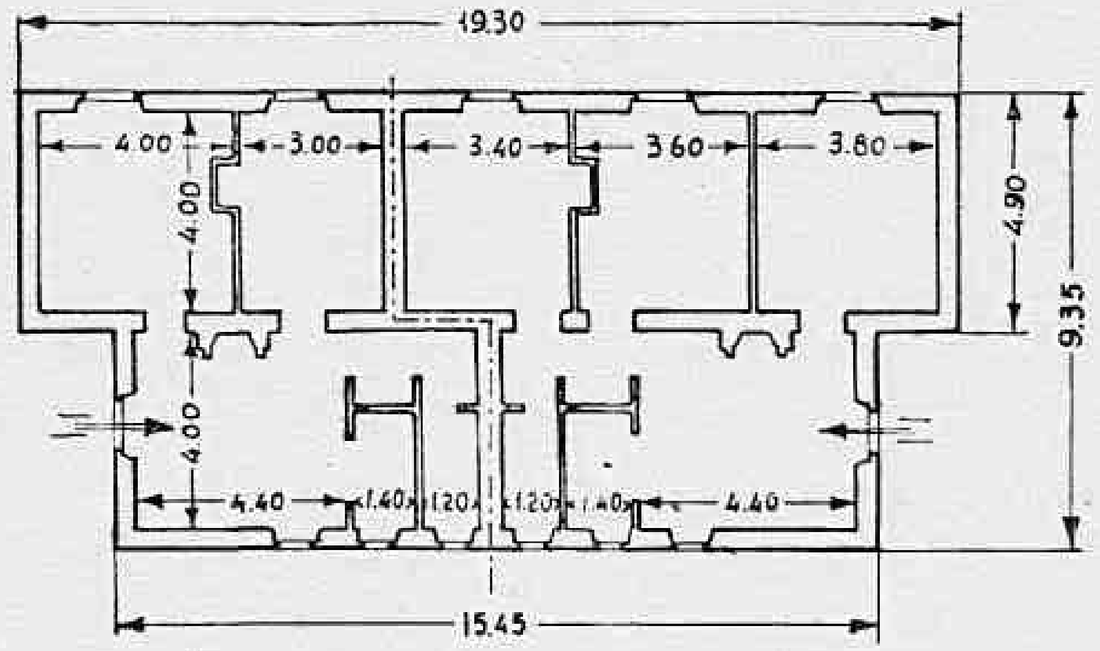


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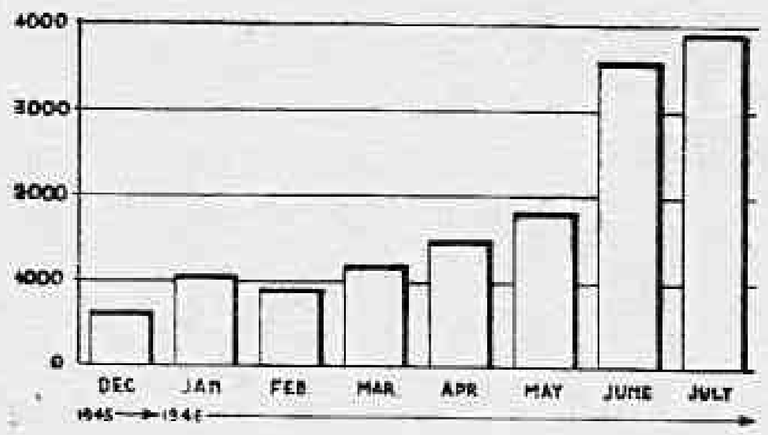
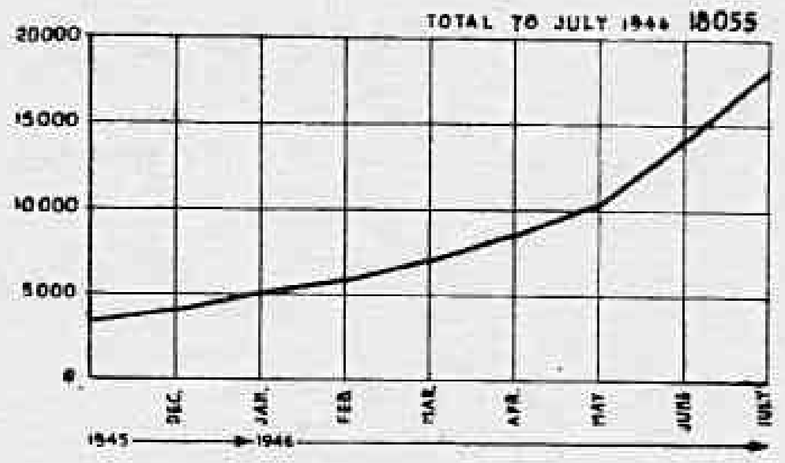
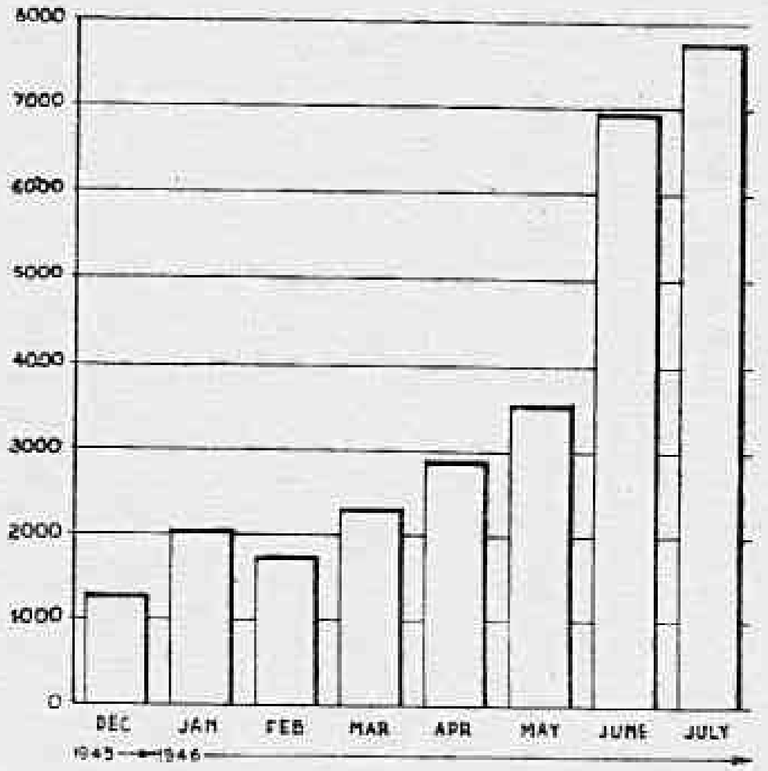
TABLE 30

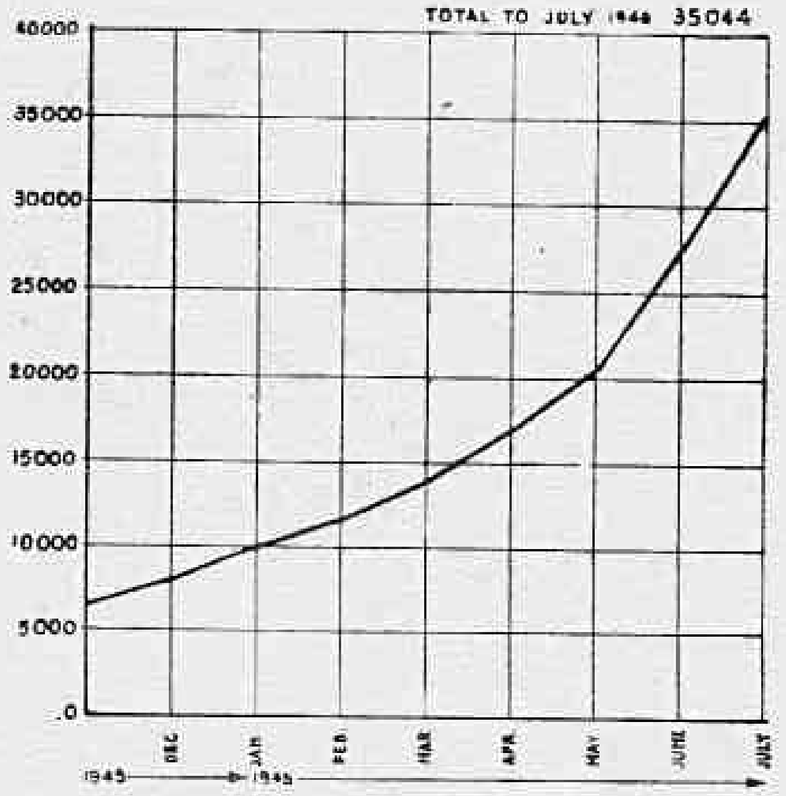
## ROOMS REPAIRED



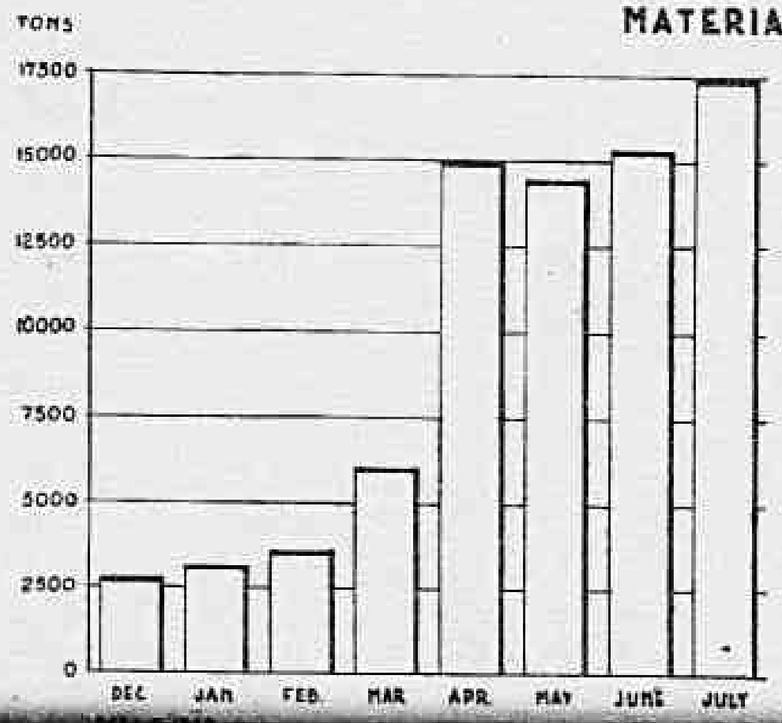



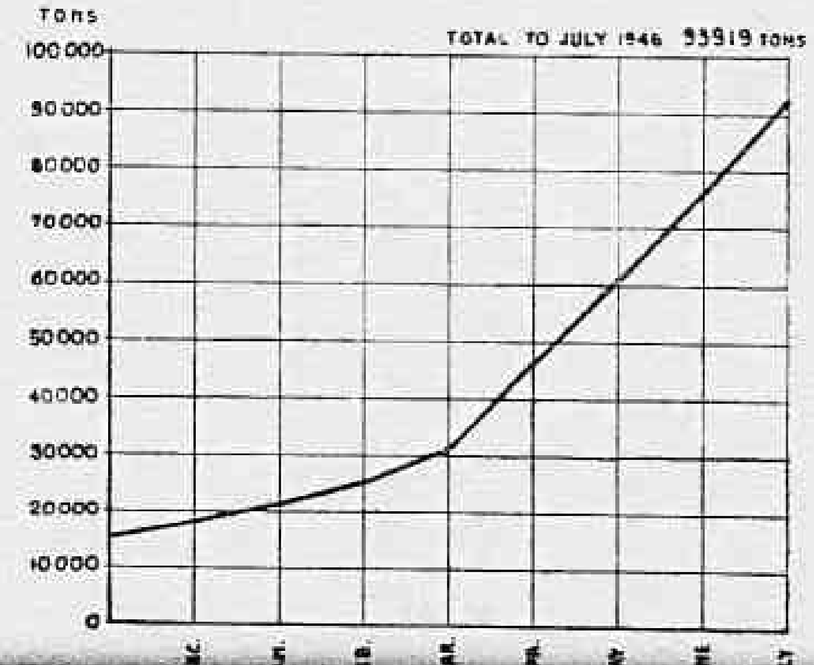

## PERSONS REHOUSED




## MATERIALS CARRIED

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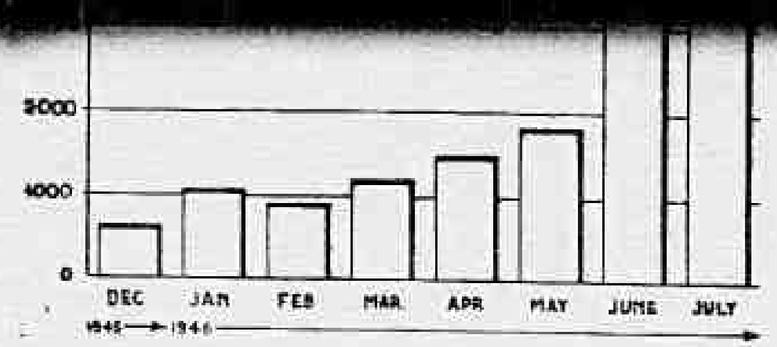
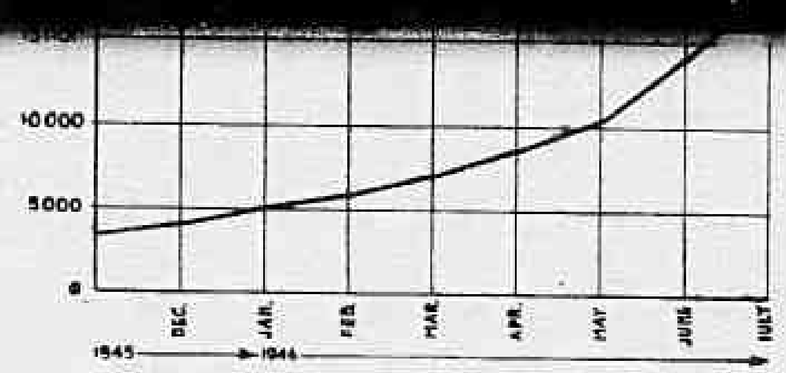
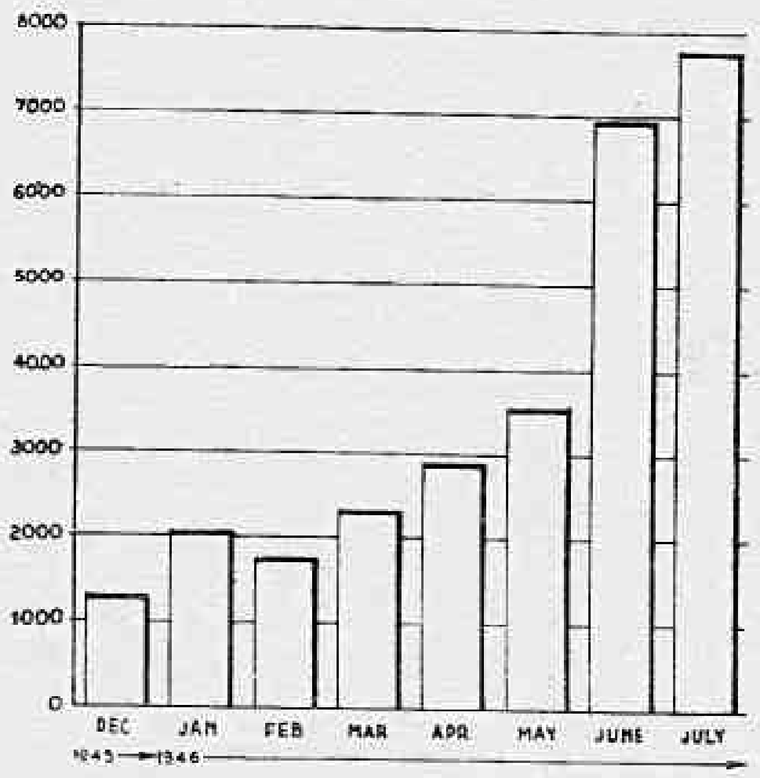
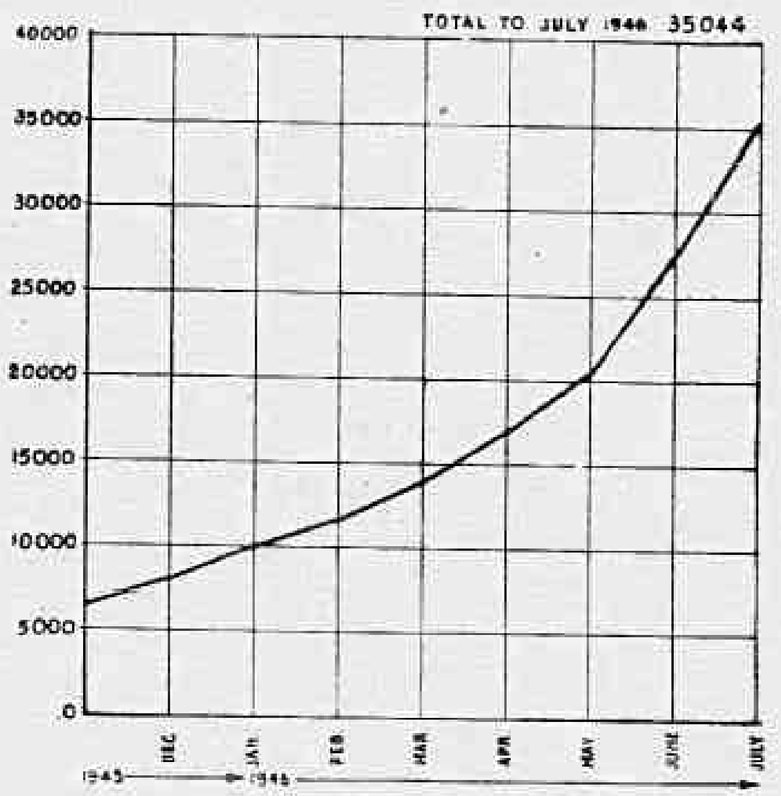
Declassified E.O. 12356 Section 3.3/NND No. 785015



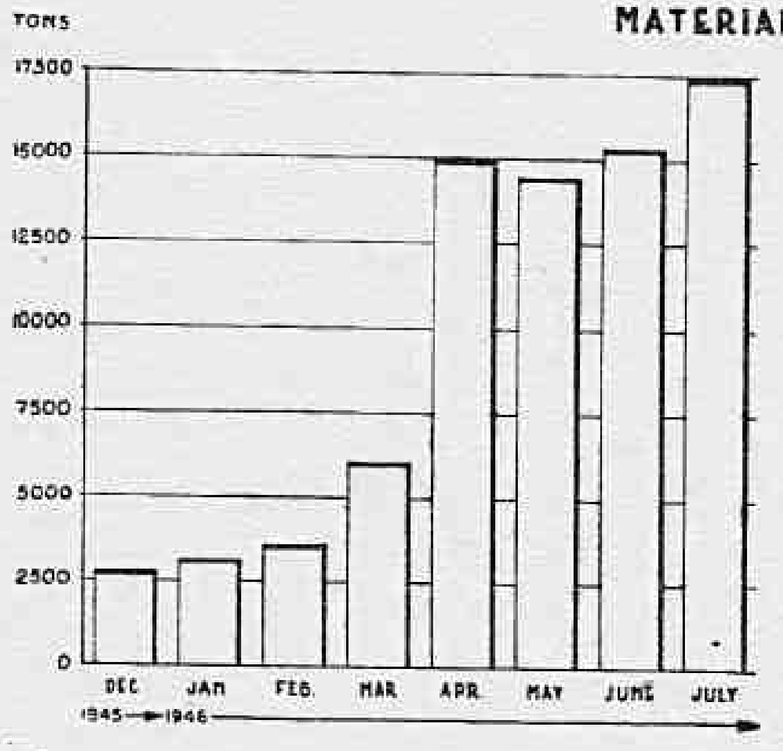



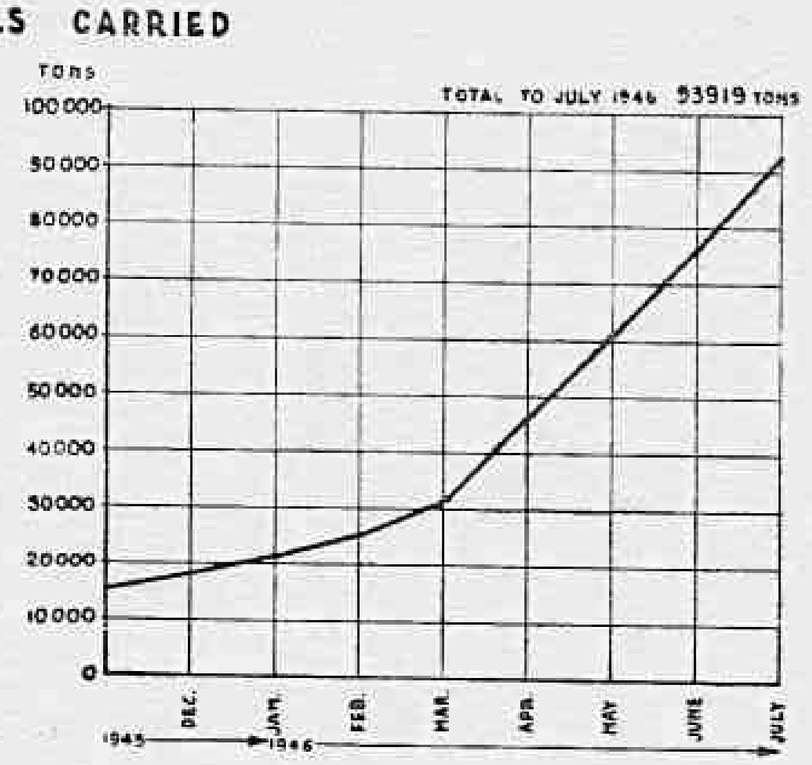

## PERSONS REHOUSED




## MATERIALS CARRIED

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173. The materials processed originate from clothing drives conducted in the United States and Canada and from military salvage procured in Italy. Work on the materials is chiefly carried out by refugees, camp or institution inmates, and other UNRRA assisted persons. Special workshops, many of them in camps, have been set up for this purpose. The project is financed by the Lira Fund and the budget is administered by a committee composed of members of UNRRA and the Italian Delegation for Relations with UNRRA. Expenditure on the project to date has been approximately 70 million lire.

174. Distribution of the processed goods (see Table 22) is planned by a committee composed of representatives from UNRRA, the Italian Delegation and the Italian Ministry of Post-War Assistance. The policy guiding the allocation is based on the desirability of relieving the most distressed areas first. With this end in view the largest quantities are given to the most needy Regions and allocation within the Regions is decided in conjunction with Provincial officials. All the articles are distributed free.

## II - *VOLUNTARY SOCIETIES* (1)

175. Since the early days of the arrival of the Allies in Italy, Voluntary Society agencies notably the British and American Red Cross, and the Friends Ambulance Unit, have been working on schemes of assistance to Italians principally through the agency and together with the Allied Commission and subsequently in close cooperation with UNRRA. These charitable organizations, with their concern for individual welfare, are able to carry out general relief measures in a more personal way than is UNRRA. The personnel working for most of these societies are provided with food and lodging but otherwise receive only a token remuneration from their societies. (e.g. personnel working with the Friends Groups are paid 1.000 lire per month).

176. Following closely upon the inception of the activities of the UNRRA Italian Mission, several voluntary societies, notably the F.A.U., the Save the Children Fund, the I.V.S.P. and the Catholic Committee for Relief Abroad, were attached to the Italian Displaced Persons Branch of the UNRRA Mission and had the major responsibility of the field work of that branch among displaced and homeless Italian civilians in Southern and Central Italy. They were engaged until the latter part of the organization in the return to their homes or communes of the many thousands of persons who had either fled from or been compulsorily evacuated from the battle areas of the Southern provinces. Meanwhile the Mission had stressed the necessity of assistance in the repair and reconstruction of homes as the most effective method of resettlement for Italian displaced persons. From February 1945 there was a steady increase in the number of Voluntary Society personnel engaged on the work of repair and reconstruction which eventually culminated in the formation of the Comitato Assistenza Soccorso ai Senzatetto (CASAS). The assistance of the agencies—the F.A.U., the American Friends Society, the Brethren Service Committee and the CCRA—is still continuing, and this assistance has undoubtedly been of the greatest help towards that program.

177. The following list gives an indication of the large number of Voluntary Societies which have been operating in Italy during the past three years. The list does not differentiate between the magnitude of the work done by each Society. All these and many other bodies have contributed in diverse ways to the welfare program in Italy and their assistance to the Government and UNRRA relief has been of the utmost value.

178. List of some of the Voluntary Societies which are or have been engaged on relief operations in Italy during three years (1944-46):

1. Aiuto Cristiano
2. American Catholic Relief
3. American Friends Service Committee
4. American Joint Distribution Committee
5. American Red Cross
6. American Relief for Italy
7. Anglican Committee for Distribution of Relief in Italy
8. Brethren Committee
9. British Red Cross
10. C.A.R.E.
11. Catholic Committe for Relief Abroad
12. Conferenze Femminili
13. Conferenze Maschili
14. Dame della Carità
15. Don Suisse
16. Friends Ambulance Unit
17. International Committee of the Red Cross
18. International Students Service
19. International Rescue and Relief Service
20. International Voluntary Society for Peace

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171. Distribution of the processed goods (see Table 22) is planned by a committee composed of representatives from UNRRA, the Italian Delegation and the Italian Ministry of Post-War Assistance. The policy guiding the allocation is based on the desirability of relieving the most distressed areas first. With this end in view the largest quantities are given to the most needy Regions and allocation within the Regions is decided in conjunction with Provincial officials. All the articles are distributed free.

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17. International Committee of the Red Cross
18. International Students Service
19. International Rescue and Relief Service
20. International Voluntary Society for Peace
21. Jesuit Mission
22. Jewish Relief Unit
23. Mennonite Service Unit
24. National Catholic Welfare Conference
25. Opera Nazionale Assistenza Rieducazione Morale Operai (ONARMO)

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(1) Details of the work of foreign private agencies are not included in this brief summary of the operations of Voluntary Societies.

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26. Ordine dei Cavalieri di Malta
27. Salvation Army
28. Save the Children Fund
29. Southern Baptist Convention
30. Swiss Red Cross
31. Unitarian Congregational Medical Nutrition Mission
32. Y.M.C.A.
33. Y.W.C.A.

## UNRRA DISPLACED PERSON OPERATIONS IN ITALY

UNRRA activities in Italy on behalf of non-Italian Displaced Persons differ from the general Mission program, in that the Administration is authorised to carry out direct operations, in agreement with the designated authorities, to provide for care and repatriation of the categories of Displaced Persons defined in UNRRA Resolutions. Although, in a sense, these UNRRA-assisted persons do not now represent a direct charge on the Italian economy, the Mission desires to make public basic information regarding this program, so that the limitations of UNRRA in regard to the broader problem of aliens in Italy may be more clearly understood.

### *I. Definition of Displaced Persons.*

1. United Nations nationals displaced by the war.
2. Other than United Nations nationals displaced because of racial or religious persecution or activity in favour of the United Nations.
   (Note: persons who *claim* United Nations nationality, but do not possess currently valid documents to prove it, can be eligible for assistance only if they qualify as other than United Nations nationals as in 2. above.)

### *II. Number of Displaced Persons—August 1946.*

On 28th August, 1946, there were approximately 24,000 Displaced Persons from 44 different countries receiving UNRRA care as follows:—

1. In UNRRA Camps: 8,500 (No. of Camps: 10).
2. Receiving UNRRA assistance outside of Camps:

### *III. Line of Approach Towards a Solution and the Difficulties.*

1. *Repatriation.* Encouraging people to repatriate through facilitation of contacts with member Government representatives, distribution of printed information and films regarding conditions in home country, creation in Camps of an atmosphere conducive to repatriation.
   Obstacles in the way of this are:
   (a) knowledge that economic conditions are not good in many war-devastated countries, and that UNRRA offers at least temporary security in Camps;
   (b) difficulty of getting accurate information about home conditions to the people;
   (c) fear of political or social conditions at home; and
   (d) existence of organised groups discouraging repatriation.
2. *Resettlement.* Resettlement opportunities are few. The doors of most nations in the world are closed to large numbers of new immigrants. Those unwilling to return home find the avenues to other lands blocked.
3. *Stabilisation.* The immense difficulty of developing anything like normal communities in camps where the future of the individuals is a blank wall.

### *IV. UNRRA Objectives.*

1. To encourage Displaced Persons to return to their former homes and to help them to do so by provision of transportation, rations, welfare escort, etc.
2. Failing this, to assist them in resettling themselves. (Documentation assistance, etc.).
3. To create an environment and facilities in UNRRA Camps so that life in this condition can be as constructive and positive as possible.

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2. Receiving UNRRA assistance outside of Camps: 8,000.
3. In vocational training centers sponsored by the American Joint Distribution Committee and receiving UNRRA assistance through them: 7,500.
4. Total number repatriated from January, 1944-15th July, 1946, by AC/UNRRA was 84,189.

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2. Failing this, to assist them in resettling themselves. (Documentation assistance, etc.).
3. To create an environment and facilities in UNRRA Camps so that life in this condition can be as constructive and positive as possible.
   This means:
   (a) maintaining reasonable physical standard of housing, food and clothing;
   (b) promoting self-government;
   (c) developing educational, cultural and vocational training activities to the fullest possible extent.

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August 23, 1946 Vol. I, No. 32

# ECONOMIC NOTES

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

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2. Wheat Amassing Campaign
3. UNRRA Imports in July
4. UNRRA Helps Fishing Trade
5. Movements of Ships

## UNRRA FIFTH COUNCIL PLANS FOR 1947

UNRRA's work will continue through other bodies, although UNRRA, as an organization, will come to an end within the next few months. During its two-week session at Geneva the Fifth Council discussed the procedure for transferring its activities to the new and permanent bodies that have come, or are coming, into being under the auspices of the United Nations.

But it must be emphasized that the Council's resolutions to effect this transfer are recommendations, and not mandates; and that the new permanent organizations to which it is proposed to transfer many of UNRRA's functions are still in embryonic form, or do not exist at all.

### Economic Aid

The Council recognized that difficulties, including lack of foreign exchange, might be experienced in 1947 by liberated countries in securing the basic essentials of life, particularly food and supplies for agricultural production. Such difficulties, it pointed out, might result in hardship and suffering in some countries unless prompt international action was taken by the General Assembly of the United Nations.

The Council has, therefore, recommended that the General Assembly should forthwith establish, or designate, some agency to review

In regard to supplies already programmed by UNRRA, the Council recommended that the Administration should make every effort to complete procurement and shipments against approved programs of operation by the dates already specified. Where, however, the shipment of certain supplies by the dates specified is not possible, the Administration is authorized to arrange for such procurement and shipment to receiving countries—in Europe after the end of 1946, and in the Far East after 31 March, 1947. But it should complete operations as early thereafter as possible.

To ensure the maximum use by liberated countries of their own resources, the Council has recommended that the Food and Agriculture Organization, at its forthcoming meeting in Copenhagen, should consider the special problem of these liberated countries, with a view to providing the maximum technical assistance in the speedy re-establishment of agricultural production.

### Future of Lire Fund

By the terms of a resolution on the Lire Fund (and similar funds in other receiving countries), the Council has recommended that the functions and responsibilities of UNRRA

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The Council has, therefore, recommended that the General Assembly should forthwith establish, or designate, some agency to review the needs of these countries in 1947 for financing (to the extent that they cannot otherwise be met) urgent imports of basic materials after the termination of UNRRA programs, and make recommendations on the financial assistance that might be required as a result of foreign exchange difficulties.

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### Program for Displaced Persons

It is not known at what date the International Refugee Organization can begin operations in respect of Displaced Persons. But, in the view of the Council, it is desirable that the work of UNRRA should not cease until the International Refugee Organization, or some appropriate interim organization, is able to take over the work. The Administration is, therefore, authorized to continue its various operations until they are undertaken by the I.R.O., by an interim commission or by any other appropriate body, provided that none of these operations shall be continued by the Administration after 30 June, 1947.

### Operations Continue Till June

A fund is to be set aside from the resources of the Administration to continue these operations until 30 June, 1947, on a scale of cost not exceeding that of its present operations. The Administration, with the approval of the Central Committee, may transfer to its successors the whole or part of this fund, or the whole or part of its records, files, equipment or other property relating to its operations with respect to Displaced Persons; and may arrange for the transfer of any of its personnel. The Council hopes that this transfer will take place as soon as possible, and that the I.R.O. will begin operations at the earliest possible date.

To bring its work into closer harmony with that of the International Refugee Organization, the Administration is given authority to apply the principles embodied in the draft constitution of the I.R.O., and to extend or adjust its work to cover any of the categories of persons defined in that draft constitution.

### Repatriation is Main Task

Stressing the importance of repatriating and restoring to useful and productive lives in their homelands as many Displaced Persons as possible, the Council has laid down that repatriation is to be regarded as UNRRA's main

All UNRRA personnel who discourage repatriation are to be removed, and only such voluntary agency personnel will be admitted to camps as undertake *not* to discourage it.

### Social Welfare Services

The Council has recommended that UNRRA's social welfare services (exclusive of those relating to Displaced Persons) should be transferred to the United Nations. Rehabilitation of children and adolescents in countries which were the victims of aggression is considered to be of paramount importance. It is recognized, however, that national rehabilitation programs cannot be carried into effect without imports of certain types of food and equipment, as well as reciprocal arrangements for technical services.

The Council has, therefore, recommended that such assets as the Central Committee may determine to be available after the completion of UNRRA's work should be used for the benefit of children and adolescents. It has suggested that an International Children's Fund should be created, to which these assets would be transferred, together with any gifts for this purpose, and for general child health purposes, that may be made by governments, voluntary agencies or individuals. A Standing Committee of the Council is to be set up to prepare recommendations, in agreement with the Economic and Social Council of the United Nations.

### World Health Organization

UNRRA will consult with the Interim Commission of the World Health Organization, with a view to transferring to the Commission as soon as practicable the duties and functions entrusted to the Administration by the International Sanitary Convention of 1944, as well as such other functions of UNRRA in the field of health as the World Health Organization, or its Interim Commission, may be willing to undertake.

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UNRRA will also transfer to the World Health Organization, or its Interim Commission, records, equipment, material and personnel, and—subject to the approval of the Central Committee—such funds as may be necessary for the performance of the transferred functions, provided no other resources are available.

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In adjourning the Geneva session of the Fifth Council on 16 August, it was agreed that a further session should be convened not later than the end of November, subject, however, to the possible decision of the Central Committee to postpone the Council meeting to a later date.

## WHEAT AMASSING CAMPAIGN

This year's amassing campaign has yielded more than 1,880,408 tons of wheat up to 15 August, thanks to vigorous action on the part of the Government, and the co-operation and public spirit shown by the majority of the farmers. This figure represents 79 per cent. of the target figure for the country as a whole, and compares with 2,016,836 tons amassed up to the same date in 1943, which was a particularly good year, and 548,556 tons last year, when, owing to drought and war, returns were exceptionally bad.

The best deliveries have been made in Marche, Umbria, and Lazio, which have all exceeded the present government target figure, and from Emilia and Tuscany, which have both amassed more than 90 per cent. The lowest amassing figures, according to returns up to 15 August, are reported from Venezia Tridentina (1.8 per cent.) and Liguria (14 per cent.)—where, however, it must be taken into consideration that the harvest is relatively late—and from Sicily (27.9 per cent.) and Calabria (39.5 per cent.)

### Target Will Be Achieved

In spite of the failure of certain districts to deliver their quota, the figure for the country as a whole may be regarded as satisfactory, and there is reasonable hope that the national target of 2,379,800 tons will be achieved. The Government and the local authorities are maintaining their pressure throughout the country, and the premiums originally offered for early amassing are still being paid. The period was progressively extended until 10 August. From given considerable publicity in the Italian and foreign press; but while these disturbances have undoubtedly been grave, the total effect upon Italy's grain amassing campaign is not considered to be great.

Trouble has, for instance, occurred in Veneto, but already this region has delivered 71 per cent. of the target figure fixed in the ammassi program. Lombardy and Piedmont, where there have been demonstrations and police intervention, had by 15 August, achieved 56 per cent. and 50 per cent. of their respective ammassi targets. On the other hand, the ammassi campaign is progressing very slowly in Venezia Tridentina where, however, it must be remembered that harvesting is late since much of the wheat is grown at high altitudes. But as its total target figure amounts to no more than 2,930 tons, the effect upon Italy in general is negligible.

### Sicily Amasses Nearly 50,000 Tons

In Sicily, the position is complicated, owing to the combined effect of political cross-currents and an economic situation which provides exceptional openings for black market trade both within the island and at ports outside the island. It must be emphasized, however, that in spite of difficulties, some 49,669 tons have already been amassed of the total target figure of 178,000 tons.

This represents approximately 28 per cent. of what the grain producers in the island should have delivered. Low as this percentage is, it is, nevertheless, a substantial improvement on last year's figure, when, in spite of every effort, only a little more than 17 per cent. of the estimated quantity available for collection was, in fact, delivered to the people's granaries.

## UNRRA IMPORTS IN JULY

UNRRA-imported supplies arriving in Italian ports during July totalled 711,000 metric tons, plus an estimated 100,000 tons of petroleum products, imported through military

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mittee to postpone the Council meeting to a later date.

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## WHEAT AMASSING CAMPAIGN

This year's amassing campaign has yielded more than 1,880,408 tons of wheat up to 15 August, thanks to vigorous action on the part of the Government, and the co-operation and public spirit shown by the majority of the farmers. This figure represents 79 per cent. of the target figure for the country as a whole, and compares with 2,016,836 tons amassed up to the same date in 1943, which was a particularly good year, and 548,556 tons last year, when, owing to drought and war, returns were exceptionally bad.

The best deliveries have been made in Marche, Umbria, and Lazio, which have all exceeded the present government target figure, and from Emilia and Tuscany, which have both amassed more than 90 per cent. The lowest amassing figures, according to returns up to 15 August, are reported from Venezia Tridentina (1.8 per cent.) and Liguria (14 per cent.)—where, however, it must be taken into consideration that the harvest is relatively late—and from Sicily (27.9 per cent.) and Calabria (39.5 per cent.)

### Target Will Be Achieved

In spite of the failure of certain districts to deliver their quota, the figure for the country as a whole may be regarded as satisfactory, and there is reasonable hope that the national target of 2,379,800 tons will be achieved. The Government and the local authorities are maintaining their pressure throughout the country, and the premiums originally offered for early amassing are still being paid. The period was progressively extended until 10 August. From 10 August onwards premiums will be paid to those producers who, within eight days after the completion of threshing, agree with UCSEA on the quantity of wheat they are to bring into the ammassi.

Ammassi riots in various parts of the mainland, and particularly in Sicily, have been

Trouble has, for instance, occurred in Veneto, but already this region has delivered 71 per cent. of the target figure fixed in the ammassi program. Lombardy and Piedmont, where there have been demonstrations and police intervention, had by 15 August, achieved 56 per cent. and 50 per cent. of their respective ammassi targets. On the other hand, the ammassi campaign is progressing very slowly in Venezia Tridentina where, however, it must be remembered that harvesting is late since much of the wheat is grown at high altitudes. But as its total target figure amounts to no more than 2,930 tons, the effect upon Italy in general is negligible.

### Sicily Amasses Nearly 50,000 Tons

In Sicily, the position is complicated, owing to the combined effect of political cross-currents and an economic situation which provides exceptional openings for black market trade both within the island and at ports outside the island. It must be emphasized, however, that in spite of difficulties, some 49,669 tons have already been amassed of the total target figure of 178,000 tons.

This represents approximately 28 per cent. of what the grain producers in the island should have delivered. Low as this percentage is, it is, nevertheless, a substantial improvement on last year's figure, when, in spite of every effort, only a little more than 17 per cent. of the estimated quantity available for collection was, in fact, delivered to the people's granaries.

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## UNRRA IMPORTS IN JULY

UNRRA-imported supplies arriving in Italian ports during July totalled 711,000 metric tons, plus an estimated 100,000 tons of petroleum products, imported through military channels on UNRRA account, and paid for from UNRRA funds. This is the largest monthly tonnage which has arrived since April and is over double the amount arriving in June.

The heaviest share of the July imports, namely 584,000 tons, goes to Italy's industrial

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rehabilitation. In addition to the 100,000 tons of petroleum products, 473,000 tons of coal were delivered at Italian ports. Steel and manganese ore imports totalled 3,600 tons, crude rubber 2,200 tons, asbestos 2,400 tons, chemicals (including rubber processing materials) 1,500 tons and refined copper 900 tons. Medical and sanitation supplies imported during July amounted to 430 tons.

Wheat imports amounted to 103,300 tons with a further 58,800 tons (wheat equivalent) of other bread cereals and grain products. Other food items imported were 20,900 tons of sugar (including corn syrup), 8,900 tons of edible fats, 2,800 tons of pulses, 3,100 tons of meat, meat preparations and fish, and 980 tons of milk products.

### Agricultural Rehabilitation

Agricultural rehabilitation accounted for 13,300 tons, which included 8,600 tons of fertilizer (nitrates and phosphates), 3,800 tons of blister copper (for the manufacture of pesticide), 194 tons of tinplate (for food preserving), 175 tons of seed and 103 tons of pesticides.

Under textiles, clothing and footwear (totalling 4,700 tons) were 2,300 tons of raw cotton, 1,994 tons of miscellaneous footwear materials, 192 tons of hides and skins, and 118 tons of composition and rubber soling.

In addition to the above imports, UNRRA also provided shipping and incidental handling services in connection with imports not on the UNRRA program. These imports consisted of 24,150 tons of wheat, a gift to Italy from Argentina, and 157 tons of clothing contributed by donors overseas.

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## UNRRA HELPS FISHING TRADE

An average drop of 1,000 per cent. in the price of cotton twine, and 300 to 800 per cent. in fishing net prices is the latest example of soared as war damage and normal depreciation whittled down the nation's fishing equipment. What cotton-twine remained, was mostly held in Northern Italy where price levels averaged 6,000 lire per kilogram while in Southern Italy, with virtually no spinning mills, prices reached 10,000 lire per kilogram. Prices throughout Italy now average 600-1,200 lire per kilogram.

### Downward Trend Begins

The tide began to turn with the import of 170 tons of cotton by the Allied Commission, and the prospects of resumed access to normal sources. Hoarded stocks re-appeared and prices started to decrease. This trend was sharply accentuated with the arrival of 300 tons of UNRRA-imported raw cotton destined for the fishing industry. The Italian Ministry of Agriculture handed the cotton over to the FARP (Fondazione Assistenza Rifornimenti Pesca, a non-profit making body controlled by the Ministry of Agriculture) which allocated it to the spinning mills in North Italy.

A further difficulty which arose in connection with the financing of the industrial processing has now been settled. As the FARP was unable to pay for the raw cotton —which, like all UNRRA-imported supplies, is placed on sale by Italian agencies and the proceeds then paid into the Lire Fund—the spinning factories agreed to pay for it themselves on assurance from the FARP that the finished products, viz. the twine, would be purchased by the net factories for manufacture into nets.

### Agreement Reached

Agreement has now been reached. The 300 tons of raw cotton will all be manufactured into twine which the net factories will then make into nets. Hence, fishermen can now place orders either direct with the net factories or with the FARP. They will be charged prices varying from 1,400 to 4,000 lire per kilogram (according to size of mesh, twine, etc.) as against price levels which had reached 12,000 lire per kilogram two years ago.

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## UNRRA HELPS FISHING TRADE

An average drop of 1,000 per cent. in the price of cotton twine, and 300 to 800 per cent. in fishing net prices is the latest example of what can be achieved through UNRRA rehabilitation efforts and economic co-operation in Italy.

Before the war, cotton twine for fishing nets was sold at between 20 and 30 lire a kilogram. Imports then ceased, the existing stocks were diverted from civilian purposes and demand with virtually no spinning mills, prices reached 10,000 lire per kilogram. Prices throughout Italy now average 600-1,200 lire per kilogram.

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## « ECONOMIC SURVEY » SUPPLEMENT

*The Supplement published with this week's issue of* Economic Notes *deals with Transport and Communications.*

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# MOVEMENTS OF SHIPS

## CARGOES OTHER THAN COAL

(AUGUST 10 - 16 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | ACCOUNT | CARGO | TONS |
|---|---|---|---|---|---|
| Jose Bonifacio | Genoa | 10 August | UNRRA | General | 2,258 |
| F. Scott Fitzgerald | Naples | " " | " | Nitrates | 7,721 |
| Hobart Victory | Brindisi | " " | " | General | 6,837 |
| Zealand | Genoa | 11 " | " | " | 280 |
| Wesleyan Victory | Venice | " " | " | " | 4,576 |
| Horace Luckenbach | Savona | 12 " | " | Cotton | 5,317 |
| | | | | Sugar | 5,650 |
| Jericho Victory | Naples | " " | " | General | 1,519 |
| Joseph Gale | Genoa | " " | Commercial | " | 3,800 |
| John E. Schmeltzer | Venice | " " | UNRRA | Maize | 8,366 |
| Fort Carillon | Messina | " " | " | Wheat | 8,648 |
| Winfred Smith | Naples | 13 " | " | General | 6,198 |
| Louis MacLane | Venice | " " | It. Program | Maize | 8,281 |
| Reuben Tipton | Genoa | 14 " | UNRRA | General | 2,991 |
| Fort Yukon | Venice | " " | " | " | 897 |
| Highflyer | " | " " | " | " | 6,667 |
| Fernebo | Genoa | 15 " | Commercial | Cotton | 1,600 |
| Alma Victory | Leghorn | " " | UNRRA | General | 6,292 |
| Salvador Brau | Castellammare | " " | " | Cereals | 8,204 |
| Luigi Nola | Genoa | 16 " | It. Program | Pyrites | 1,420 |

## LATEST COAL SHIPMENTS

(AUGUST 10 - 16 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | COUNTRY OF ORIGIN | ACCOUNT | TONS |
|---|---|---|---|---|---|
| Mary Pickersgill | Bari | 10 August | United States | UNRRA | 8,341 |
| Julian Dubuque | Venice | " " | " " | " | 8,392 |
| Francis Culkin | Savona | " " | " " | " | 8,051 |
| Stad Haarlem | Bagnoli | 11 " | Germany | " | 7,608 |
| David Huger | Venice | " " | United States | " | 8,245 |
| Wansford | Savona | " " | Germany | " | 7,600 |
| Benjamin French | " | " " | United States | " | 8,268 |
| Springbjorn | Genoa | " " | Germany | " | 3,870 |
| John Quick | Venice | 12 " | United States | " | 8,652 |
| William Blount | Savona | " " | " " | " | 7,920 |
| M. E. Comerford | Genoa | " " | " " | " | 4,020 |
| Thomas Nelson | " | " " | " " | " | 8,910 |
| Nandi | Savona | 13 " | Germany | " | 2,609 |
| Pelorum | Genoa | " " | " | " | 7,400 |
| David Yulee | Venice | " " | United States | " | 8,197 |
| John Abell | Catania | " " | " " | " | 8,380 |
| William Edwards | Genoa | " " | " " | " | 8,290 |
| Donald Holland | Venice | 14 " | " " | " | 8,592 |
| Stephen W. Kearney | Civitavecchia | " " | " " | " | 9,053 |
| David Galliard | Ancona | " " | " " | " | 4,500 |
| Albert Burleson | Bari | " " | " " | " | 8,383 |
| Julien Poydras | Civitavecchia | " " | " " | " | 3,729 |

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| | | | | | |
|---|---|---|---|---|---|
| Jose Bonifacio | Genoa | 10 August | UNRRA | General | 2,258 |
| F. Scott Fitzgerald | Naples | " " | " | Nitrates | 7,721 |
| Hobart Victory | Brindisi | " " | " | General | 6,837 |
| Zealand | Genoa | 11 " | " | " | 280 |
| Wesleyan Victory | Venice | " " | " | " | 4,576 |
| Horace Luckenbach | Savona | 12 " | " | Cotton | 5,317 |
| Jericho Victory | Naples | " " | " | Sugar | 5,650 |
| Joseph Gale | Genoa | " " | Commercial | General | 1,519 |
| John E. Schmeltzer | Venice | " " | UNRRA | " | 3,800 |
| Fort Carillon | Messina | " " | " | Maize | 8,366 |
| Winfred Smith | Naples | 13 " | " | Wheat | 8,648 |
| Louis MacLane | Venice | " " | It. Program | General | 6,198 |
| Reuben Tipton | Genoa | 14 " | UNRRA | Maize | 8,281 |
| Fort Yukon | Venice | " " | " | General | 2,991 |
| Highflyer | " | " " | " | " | 897 |
| Fernebo | Genoa | 15 " | Commercial | " | 6,667 |
| Alma Victory | Leghorn | " " | UNRRA | Cotton | 1,600 |
| Salvador Brau | Castellammare | " " | " | General | 6,292 |
| Luigi Nola | Genoa | 16 " | It. Program | Cereals | 8,204 |
| | | | | Pyrites | 1,420 |

## LATEST COAL SHIPMENTS

(AUGUST 10 - 16 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | COUNTRY OF ORIGIN | ACCOUNT | TONS |
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| Albert Burleson | Bari | " " | " " | " | 8,383 |
| Julien Poydras | Civitavecchia | " " | " " | " | 3,729 |
| William Phips | Piombino | " " | " " | " | 4,500 |
| Henry Adams | Palermo | 15 " | " " | " | 8,511 |
| George Walton | Genoa | " " | " " | " | 8,832 |
| Joshua Slocum | " | " " | " " | " | 3,796 |
| Joseph Holmes | Venice | " " | " " | " | 3,952 |
| Smith Thompson | Catania | 16 " | " " | " | 3,568 |
| Ameriki | Savona | " " | " " | " | 8,644 |
| Pheaux II | " | " " | " " | " | 9,202 |
| Orbis | " | " " | " " | " | 5,348 |

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# TRANSPORTATION AND COMMUNICATIONS

## PART ONE - INLAND TRANSPORTATION (2)

*Introduction.*

1. Freight traffic carried in Italy by rail, road, canal, river, and in coastwise and intercoastal traffic is now only about 60 % of pre-war in terms of tonnage and even less in terms of ton kilometers. Traffic by every means of transport has suffered a reduction. The greatest reductions have occurred on the inland waterways and in coastwise and intercoastal traffic. Before the war roughly 55 % of all freight was carried on the railroads, 27 % by truck, 12 % along the coasts and 6 % on inland waterways. At the present time, the corresponding proportions are roughly 60 %, 35 %, 4 % and 1 %. Rail freight tonnage carried in 1946 is only about 70 % of pre-war and of that more than 10 % is for the account of Allied Military. Motor-truck tonnage hauled is about 80 %, that by schooners and coaster only about 20 %, and that by inland waterways a negligible percentage of pre-war.

2. The number of passengers carried by railway is estimated by the Italian State Railways at about pre-war notwithstanding that the number of passenger-train kilometers is estimated at less than 25 % of pre-war. Heavy reductions have occurred in travel by bus and private car.

3. The above figures do not adequately describe the reduction in carrying capacity resulting from war damage and lack of maintenance and replacement of facilities and equipment, since all forms of transportation, except highway trucks, are now operating at or near capacity, whereas considerable unutilized capacity existed before the war.

4. Railway track, motive power, passenger coaches, freight wagons and communication equipment have all suffered from war damage and war-deferred maintenance and renewal. Highways have suffered from under-maintenance and heavy war traffic. A large percentage of the highway bridges was destroyed by bombing and mining. Motor-trucks are inadequate supply although generally less efficient than pre-war. Passenger cars and buses are inadequate to the demands for travel. More than 60 % of all tugs and barges used on inland waterways are largely inoperative by destruction of locks, bridges and shore installations. Gross registered tonnage of coasters and schooners in Italian hands is only about 60 % of pre-war.

5. Railroad and motor vehicle fuel, for which Italy is almost exclusively dependent on UNRRA, is not adequate to all the traffic requirements of the country, although enough for essential purposes. Restricted railroad facilities have been even further limited by the need for reducing speed in order to conserve coal and POL (3). POL is adequate for highway freight traffic but in an effort to conserve UNRRA-imported POL, passenger motor travel has been severely restricted.

6. Rapid strides have been made in rehabilitating the railroads, but even under the most favorable conjuncture of world raw material availability and Italian foreign exchange holdings, at least five years will be required to bring the Italian railroads to a pre-war level. Meanwhile, notable advances in operating techniques are compensating somewhat for the physical handicaps under which railroad operations are conducted.

7. Motor-trucks are in excess of needs and the Italian motor-truck manufacturing industry is reviving, although lack of materials and fuel has retarded that revival. Passenger cars and buses, in very short supply, are also coming off the production lines at a rate also largely governed and limited by lack of material and fuel which can only be obtained from abroad. Salvage operations are continually adding to the coastwise and inland waterways fleets. But shortages of timber and steel plates, frames and girders and beams are rendering repair and replacement very difficult.

8. Restrictions on the use of POL for passenger cars and buses have resulted in the conversion of large numbers of passenger cars for trucking purposes. Simultaneously, large profits have been earned by truckers by the unlawful use of their vehicles for carrying passengers at exorbitant rates. The very short supply of railroad freight wagons has been aggravated by the necessity for converting closed cars into passenger coaches in order to meet part of the heavy demand for

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(1) *See Supplement to Vol. 1 No. 27 for Introduction to Survey of Italy's Economy and for Survey of Finance, No. 28 for Survey of Agriculture and Food in Italy and Nos. 30 and 31 for Survey of Italian Industry.*

(2) Sea transport will be dealt with as a separate section of the Foreign Trade Supplement.

(3) Petrol, Oil, Lubricants.

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9. Some indication of the work that lies ahead is given by the estimate of the Italian State Railways that rehabilitation of the railway system as a result of war damage will cost over 300,000 million lire, as follows:

| State Railways | Thousand million lire |
|---|---|
| Railroad, bridges, stations, etc., and fixed plant | 151.1 |
| Means of traction | 41.7 |
| Rolling stock | 132.5 |
| Ferryboats, stocks, stores, etc. | 42.0 |
| Total I.S.R. | 367.3 |
| Private railways | 8.7 |
| Estimated total damage | 376.0 (1) |

(1) In addition the program provides for the expenditure of 16,000 million lire on the development of electrification.

10. The anomalous price structure that characterizes Italian economy generally is characteristic also of the transportation industry and its effects are noteworthy. Railroad rates have increased by much less than prices generally since before the war.

11. Official coastwise-shipping rates have increased by slightly more than rail rates. The advance in motor-truck rates has been the same as, or perhaps slightly greater than that for prices generally. As a result, the demands on the very limited railroad facilities have been proportionately even greater than normal. The large motor-trucking capacity is only partially utilized and much freight that would normally move by rail is not transported at all. Existing wide regional price differences in Italy are generally attributed to the greatly increased transport costs. As to the bulk of the freight that goes by railroad, however, this conclusion is unwarranted. Nor are motor-truck rates sufficiently high to have increased the relative spread between prices in different parts of the country. There are, however, hidden transport costs. Otherwise profitable motor-trucking is not undertaken for fear of hijacking or other forms of pilferage. Black-marketeers use rail passenger facilities for carrying rationed commodities long distances to high priced markets. The breakdown of commercial channels generally throughout Italy has resulted in the reinstitution of the commercial traveller hauling even unrationed goods by pass-

All the POL and practically all the coal used by Italian transport is provided by UNRRA. UNRRA has also provided motor vehicles for use in malaria control and housing repair and reconstruction. Three and one-half million dollars worth of bitumen have been programmed for importation by UNRRA for highway reconstruction. In addition UNRRA fuels, and relatively small but important quantities of raw and semi-finished materials, are being used for the manufacture of motor vehicles, and will be used for ship and railroad reconstruction. In the main, however, UNRRA has not contemplated direct participation in the rehabilitation of Italy's transport. Rather, its program has been designed to reactivate Italian industry which will then be able to provide the equipment and materials necessary to the restoration of Italy's transport system.

## *RAIL TRANSPORTATION*

(See Map - Table 1)

### *General.*

13. The great bulk of the railway system in Italy is State-owned and operated. A small kilometrage under State ownership is operated under concession by private interests. A very small kilometrage is privately owned and operated.

14. At the present time the railroads are carrying slightly more than 40 % of the commercial freight hauled by rail in pre-war years. The inclusion of Allied military traffic brings that percentage to above 50 % (see Table 2). It has proved difficult to obtain comparable statistics on pre-war and post-war passenger traffic. But it appears that in 1946, 40 % of the pre-war train kilometers are being run and that passenger train kilometers are only 25 % of pre-war (see also Graph - Table 3). These figures do not, however, indicate the extent of war time destruction and deterioration. Nor do the statistics in Tables 2, 4, 5, and 7 reflect adequately the position of the railways as compared with pre-war years.

15. The advances made by the Italian railways since the end of the war have been remarkable. Every phase of railroading has been improved by application of local ingenuity and by adopting the progressive methods introduced into Italy by the Allied military authorities. Ingenuity alone, however, has been an inadequate substitute for physical facilities. Lack of traction, of freight wagons, of signal facilities and of all of the mass of

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| State Railways | Thousand million lire |
|---|---|
| Railroad, bridges, stations, etc., and fixed plant | 151.1 |
| Means of traction | 41.7 |
| Rolling stock | 132.5 |
| Ferryboats, stocks, stores, etc. | 42.0 |
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(1) In addition the program provides for the expenditure of 46.000 million lire on the development of electrification.

10. The anomalous price structure that characterizes Italian economy generally is characteristic also of the transportation industry and its effects are noteworthy. Railroad rates have increased by much less than prices generally since before the war.

11. Official coastwise-shipping rates have increased by slightly more than rail rates. The advance in motor-truck rates has been the same as, or perhaps slightly greater than that for prices generally. As a result, the demands on the very limited railroad facilities have been proportionately even greater than normal. The large motor-trucking capacity is only partially utilized and much freight that would normally move by rail is not transported at all. Existing wide regional price differences in Italy are generally attributed to the greatly increased transport costs. As to the bulk of the freight that goes by railroad, however, this conclusion is unwarranted. Nor are motor-truck rates sufficiently high to have increased the relative spread between prices in different parts of the country. There are, however, hidden transport costs. Otherwise profitable motor-trucking is not undertaken for fear of hijacking or other forms of pilferage. Black-marketeers use rail passenger facilities for carrying rationed commodities long distances to high priced markets. The breakdown of commercial channels generally throughout Italy has resulted in the reinstitution of the commercial traveller hauling even unrationed goods by passenger trains to favorable markets. These influences toward high costs, however, are transitory and will be eliminated as soon as political and social conditions become more nearly stable in Italy.

12. UNRRA's direct contribution to the Italian transportation systems consists primarily of coal and POL. [illegible] million dollars worth of rolling stock have been programmed for importation by UNRRA for highway reconstruction. In addition UNRRA fuels, and relatively small but important quantities of raw and semi-finished materials, are being used for the manufacture of motor vehicles, and will be used for ship and railroad reconstruction. In the main, however, UNRRA has not contemplated direct participation in the rehabilitation of Italy's transport. Rather, its program has been designed to reactivate Italian industry which will then be able to provide the equipment and materials necessary to the restoration of Italy's transport system.

## *RAIL TRANSPORTATION*

(See Map - Table 1)

### *General.*

13. The great bulk of the railway system in Italy is State-owned and operated. A small kilometrage under State ownership is operated under concession by private interests. A very small kilometrage is privately owned and operated.

14. At the present time the railroads are carrying slightly more than 40 % of the commercial freight hauled by rail in pre-war years. The inclusion of Allied military traffic brings that percentage to above 50 % (see Table 2). It has proved difficult to obtain comparable statistics on pre-war and post-war passenger traffic. But it appears that in 1946, 40 % of the pre-war train kilometers are being run and that passenger train kilometers are only 25 % of pre-war (see also Graph - Table 3). These figures do not, however, indicate the extent of war time destruction and deterioration. Nor do the statistics in Tables 2, 4, 5, and 7 reflect adequately the position of the railways as compared with pre-war years.

15. The advances made by the Italian railways since the end of the war have been remarkable. Every phase of railroading has been improved by application of local ingenuity and by adopting the progressive methods introduced into Italy by the Allied military authorities. Ingenuity alone, however, has been an inadequate substitute for physical facilities. Lack of traction, of freight wagons, of signal facilities and of all of the mass of equipment that comprises a railroad system, has resulted in delayed port clearance, in congestion in the interior, in loss, damage and pilferage to freight and in discomfort and inconvenience to passengers. Freight that should move frequently cannot. Would-be passengers don't travel.

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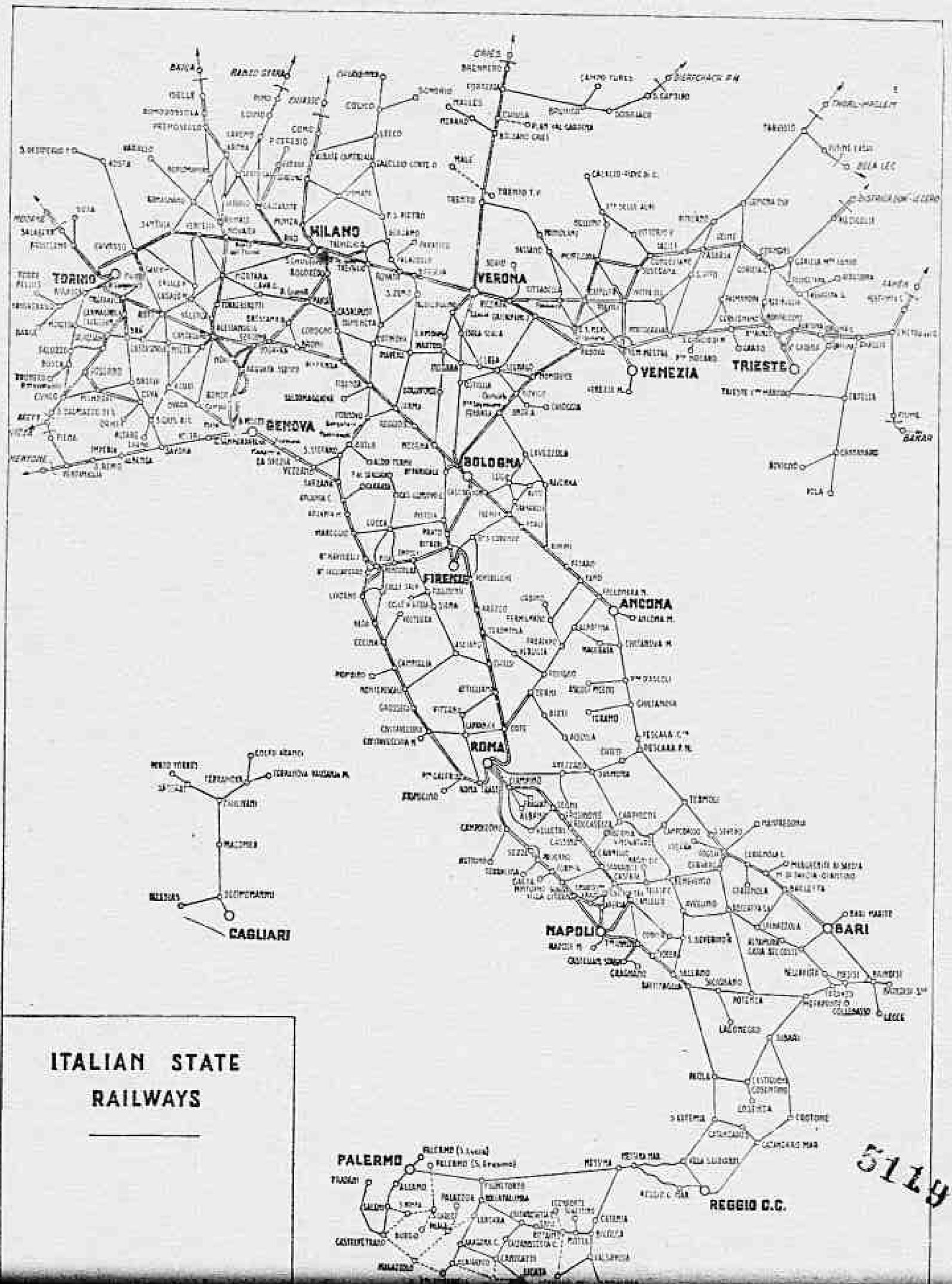
TABLE 1

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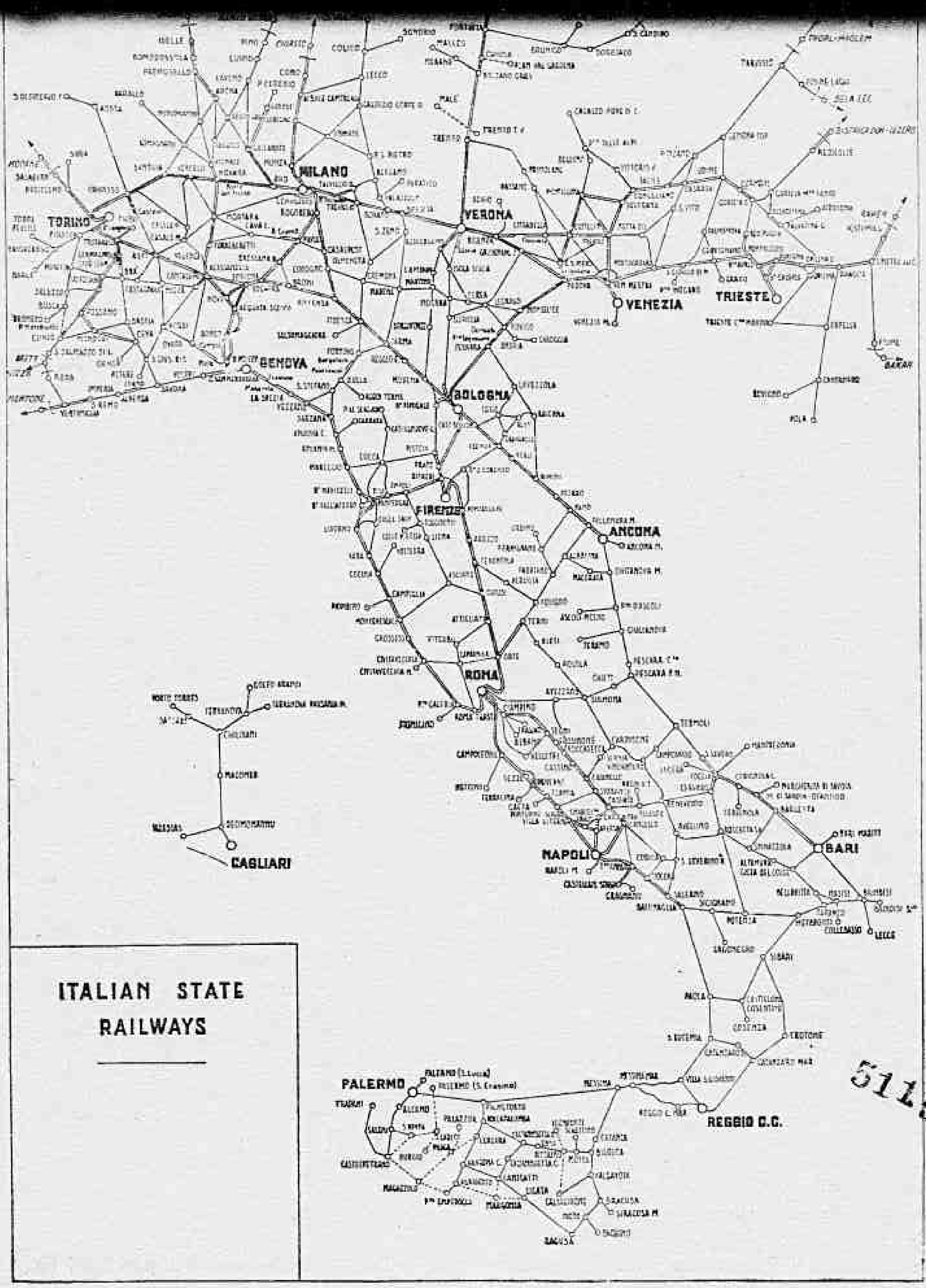


ITALIAN STATE
RAILWAYS

5119

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SECRET

TABLE 2

## Italian State Railways

### Traffic Operation: Comparative table of train-kilometers

Kilometers

| TYPE | MARCH 1939 | MARCH 1946 | | | REMARKS |
|---|---|---|---|---|---|
| | | Civil | Military | Total | |
| Steam (Passenger) . . . | 3,989,000 | 977,154 | 88,971 | 1,066,125 | |
| Electric » . . . . . | 1,472,000 | 1,069,534 | 111,288 | 1,180,822 | |
| Oil Fuel » . . . . . | 2,838,000 | 497,715 | 129,837 | 627,552 | |
| TOTAL PASSENGER-TRAIN KMS. | 11,299,000 | 2,544,403 | 330,096 | 2,874,499 | Average speed Pass. Trains 30 KPH. |
| Steam Freight. . . . . | 2,441,000 | 919,050 | 160,600 | 1,079,650 | |
| Electric » . . . . . | 2,651,000 | 795,805 | 195,600 | 991,405 | |
| Oil Fuel » . . . . . | 13,000 | 484,320 | 117,000 | 601,320 | |
| TOTAL FREIGHT-TRAIN KMS. | 5,105,000 | 2,199,175 | 473,200 | 2,672,375 | |
| GROSS TOTALS KMS. | 16,404,000 | 4,743,578 | 803,296 | 5,546,874 | Average speed freight trains 19 KPH. |
| *Comparative No. of Trains Run.* | | | | | |
| Passenger. . . . . | 139,655 | 50,562 | 4,178 | 54,740 | |
| Freight. . . . . | 64,294 | 27,860 | 11,645 | 39,505 | |
| TOTALS | 203,949 | 78,422 | 15,823 | 94,245 | |

16. Without UNRRA the railroads would have been in an even worse position than they are today. Practically all the fuel and all the lubricants used by the railways in Italy in 1946 are being supplied by UNRRA. Means of providing coal and POL for the railroads after January 1, 1947 still remain to be found. UNRRA has not attempted to import heavy equipment for the railroads, although it is badly needed. Instead UNRRA has provided for the importation of fuels and industrial raw materials for rehabilitating Italian industry generally, and in the expectation that a revival of industry will expedite the repair and restoration of the railroads.

17. The following analysis aims at interpreting the statistics for locomotives, freight cars, and other transport material, so as to show the present status of the railways and to indicate the reconstruction problem that lies ahead.

*Traction.*

18. A comprehensive and detailed survey of the locotion units—steam engines, electric locos, and Diesel cars —only 3,207 are now actively available. The present availability includes 258 foreign locomotives. In 1939 there were in addition 748 units under repair—in March 1946 there were 3,251. Except for Diesel rail cars the overall traction stock in May 1946 was 5,813 compared with 5,642 in 1939 a net gain of 171, but there are 414 foreign locos in the present stock. The heaviest net loss is seen in Diesel cars—521 in service in 1939 compared with 149 in May 1946. As electric locomotives performed more than 50 % of the traction in 1939 and as the great bulk of the steam locomotives in use in 1939 were very old and destined to be replaced by electric, the war damage was especially serious. Table 4 indicates that approximately 60 % of the pre-war traction is in service, but the condition of these locomotives is such that their total efficiency is considerably below the 60 % level. The railway repair facilities in Italy suffered great damage during the war, and the servicing and repair of locomotives is still a matter of serious concern and difficulty.

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| TYPE | MARCH 1939 | Civil | Military | Total | REMARKS |
|---|---|---|---|---|---|
| Steam (Passenger) . . . | 3,989,000 | 977,154 | 88,971 | 1,066,125 | |
| Electric » . . . . . | 4,472,000 | 1,069,534 | 111,288 | 1,180,822 | |
| Oil Fuel » . . . . . | 2,838,000 | 497,715 | 129,837 | 627,552 | |
| TOTAL PASSENGER-TRAIN KMS. | 11,299,000 | 2,544,403 | 330,096 | 2,874,499 | Average speed Pass. Trains 30 KPH. |
| Steam Freight. . . . . | 2,411,000 | 919,050 | 160,600 | 1,079,650 | |
| Electric » . . . . . | 2,651,000 | 795,805 | 195,600 | 991,405 | |
| Oil Fuel » . . . . . | 13,000 | 484,320 | 117,000 | 601,320 | |
| TOTAL FREIGHT-TRAIN KMS. | 5,105,000 | 2,199,175 | 473,200 | 2,672,375 | |
| GROSS TOTALS KMS. | 16,404,000 | 4,743,578 | 803,296 | 5,546,874 | Average speed freight trains 19 KPH. |
| *Comparative No. of Trains Run.* | | | | | |
| Passenger. . . . . | 139,655 | 50,562 | 4,178 | 54,740 | |
| Freight. . . . . | 64,294 | 27,860 | 11,645 | 39,505 | |
| TOTALS | 203,949 | 78,422 | 15,823 | 94,245 | |

16. Without UNRRA the railroads would have been in an even worse position than they are today. Practically all the fuel and all the lubricants used by the railways in Italy in 1946 are being supplied by UNRRA. Means of providing coal and POL for the railroads after January 1, 1947 still remain to be found. UNRRA has not attempted to import heavy equipment for the railroads, although it is badly needed. Instead UNRRA has provided for the importation of fuels and industrial raw materials for rehabilitating Italian industry generally, and in the expectation that a revival of industry will expedite the repair and restoration of the railroads.

17. The following analysis aims at interpreting the statistics for locomotives, freight cars, and other transport material, so as to show the present status of the railways and to indicate the reconstruction problem that lies ahead.

*Traction.*

18. A comprehensive and detailed survey of the locomotive situation on the Italian railways will show that it is a major problem for solution. The method of solution is moreover bound up with future policy as to extension of electrified lines (see para. 41). A comparative review of the traction situation as at June 1939 and May 1946 (Table 4), indicates that of 6,458 traction units—steam engines, electric locos, and Diesel cars—only 3,207 are now actively available. The present availability includes 258 foreign locomotives. In 1939 there were in addition 748 units under repair—in March 1946 there were 3,251. Except for Diesel rail cars the overall traction stock in May 1946 was 5,813 compared with 5,642 in 1939 a net gain of 171, but there are 414 foreign locos in the present stock. The heaviest net loss is seen in Diesel cars—521 in service in 1939 compared with 149 in May 1946. As electric locomotives performed more than 50 % of the traction in 1939 and as the great bulk of the steam locomotives in use in 1939 were very old and destined to be replaced by electric, the war damage was especially serious. Table 4 indicates that approximately 60 % of the pre-war traction is in service, but the condition of these locomotives is such that their total efficiency is considerably below the 60 % level. The railway repair facilities in Italy suffered great damage during the war, and the servicing and repair of locomotives is still a matter of serious concern and difficulty.

*Rolling Stock.*

19. Table 5 shows the 1939 and 1946 figures of rail coaches, luggage and mail vans and of freight cars together with the repair capacity.

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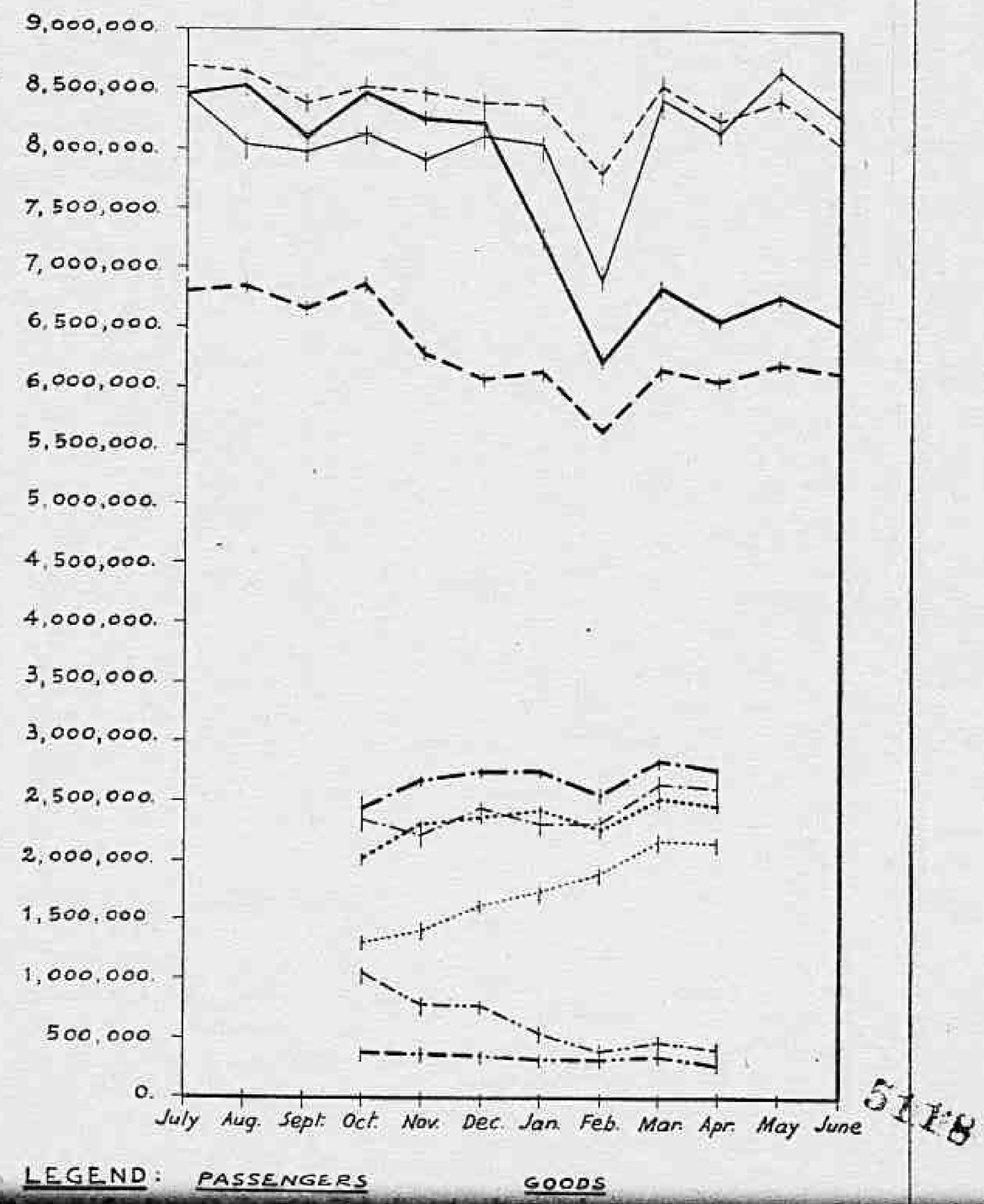
TABLE 3

# ITALIAN STATE RAILWAYS

## MONTHLY MILEAGE OF TRAINS

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# MONTHLY MILEAGE OF TRAINS

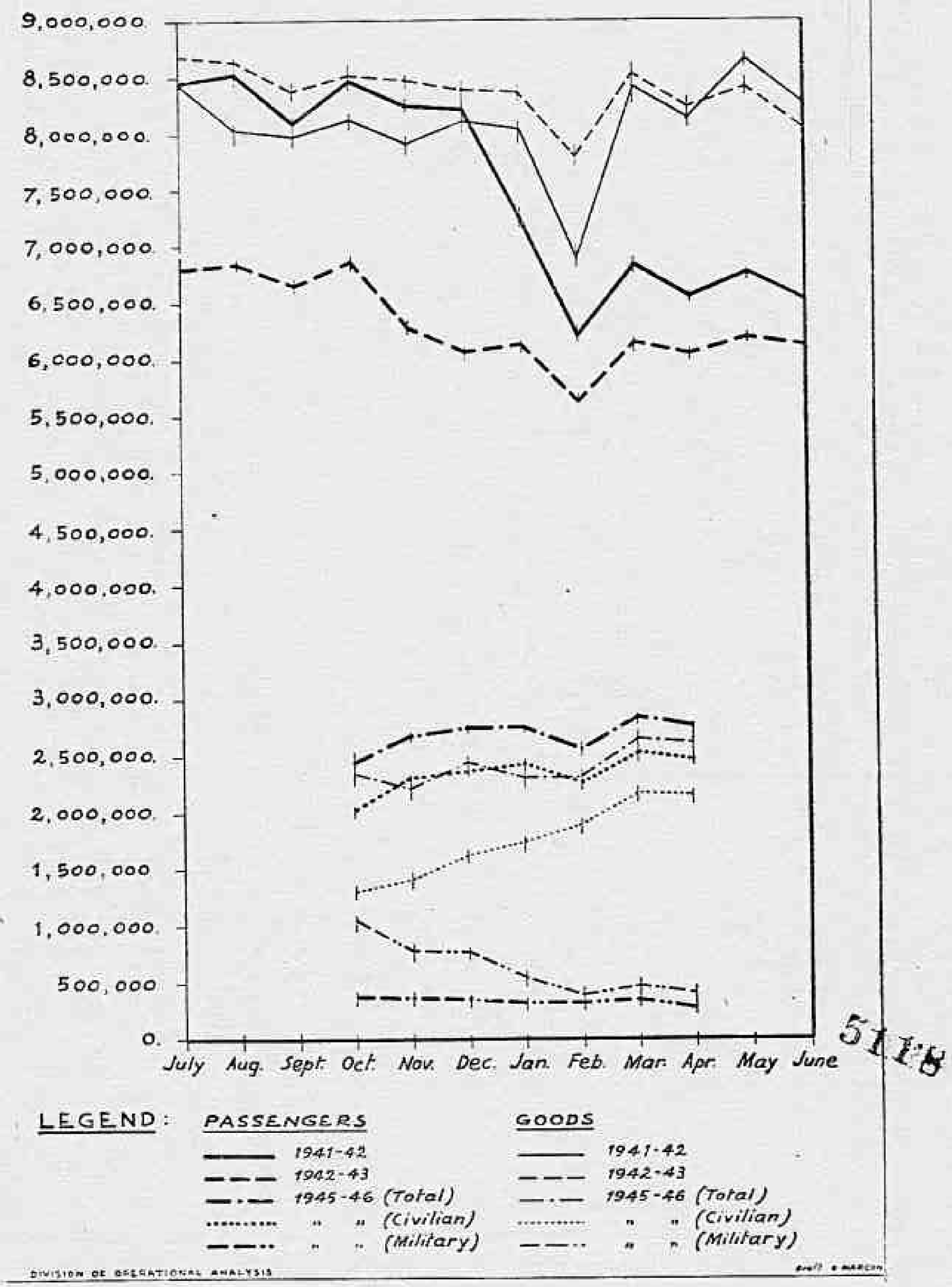


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TABLE 4

## Italian State Railways

LOCOMOTIVE SITUATION: 1939 AND 1946

| | | | As at 30th June 1939 | | As at 31st May 1946 | |
|---|---|---|---|---|---|---|
| | | | No. | | No. | No. |
| STEAM LOCOMOTIVES | IN SERVICE | For ordinary & extraordinary services | 2,178 | I. S. R. | 1,369 | 1,582 |
| | | | | Foreign | 213 | |
| | | For shunting . . . . . | 411 | I. S. R. | 476 | 482 |
| | | | | Foreign | 6 | |
| | | Reserve . . . . . | 1,102 | I. S. R. | 133 | 140 |
| | | | | Foreign | 7 | |
| | | TOTAL SERVICEABLE | 3,691 | | | 2,204 |
| | OUT OF SERVICE | Under repair or awaiting repair . | 477 | I. S. R. | 1,780 | 1,914 |
| | | | | Foreign | 134 | |
| | | TOTAL AWAITING REPAIR | 477 | | | 1,914 |
| | | TOTAL STEAM | 4,168 | | | 4,118 |
| ELECTRIC LOCOMOTIVES | IN SERVICE | For ordinary & extraordinary services | 1,160 | I. S. R. | 822 | 849 |
| | | | | Foreign | 27 | |
| | | For shunting . . . . . | 17 | I. S. R. | — | 5 |
| | | | | Foreign | 5 | |
| | | Reserve . . . . . | 144 | — | — | — |
| | | TOTAL SERVICEABLE | 1,321 | | | 854 |
| | OUT OF SERVICE | Under repair or awaiting repair . . | 153 | I. S. R. | 819 | 841 |
| | | | | Foreign | 22 | |
| | | TOTAL ELECTRIC | 1,474 | | | 1,695 |
| RAIL MOTOR CARS | IN SERVICE | For ordinary & extraordinary services | 521 | | | 149 |
| | OUT OF SERVICE | Under repair or awaiting repair . | 118 | | | 496 |
| | | TOTAL RAIL MOTOR CARS | 639 | | | 645 |

*Coaches.*

20. Passenger coaching stock total is approximately two thirds of that available pre-war, but the serviceable stock is less than one fourth of the 1939 figure. Reductions in speed have resulted in a further reduction of effective capacity to little more than 10 % of pre-war. The demand for passenger traffic is now even [illegible] of the great reduction in rebuilding damaged coaches. The workshop facilities suffered much destruction, but the supply of repair materials is the major limiting factor in the rate of repair. Passenger coaches are not only in short supply but are, for the most part, ill equipped. Few coaches have windows, and some are without seats. All passenger trains are very crowded.

*Luggage and Mail Vans.*

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| | | | No. | | No. | No. |
|---|---|---|---|---|---|---|
| STEAM LOCOMOTIVES | IN SERVICE | For ordinary & extraordinary services | 2,178 | I. S. R.<br>Foreign | 1,369<br>213 | 1,582 |
| | | For shunting | 411 | I. S. R.<br>Foreign | 476<br>6 | 482 |
| | | Reserve | 1,102 | I. S. R.<br>Foreign | 133<br>7 | 140 |
| | | TOTAL SERVICEABLE | 3,691 | | | 2,204 |
| | OUT OF SERVICE | Under repair or awaiting repair | 477 | I. S. R.<br>Foreign | 1,780<br>134 | 1,914 |
| | | TOTAL AWAITING REPAIR | 477 | | | 1,914 |
| | | TOTAL STEAM | 4,168 | | | 4,118 |
| ELECTRIC LOCOMOTIVES | IN SERVICE | For ordinary & extraordinary services | 1,160 | I. S. R.<br>Foreign | 822<br>27 | 849 |
| | | For shunting | 17 | I. S. R.<br>Foreign | —<br>5 | 5 |
| | | Reserve | 144 | — | — | — |
| | | TOTAL SERVICEABLE | 1,321 | | | 854 |
| | OUT OF SERVICE | Under repair or awaiting repair | 153 | I. S. R.<br>Foreign | 819<br>22 | 841 |
| | | TOTAL ELECTRIC | 1,474 | | | 1,695 |
| RAIL MOTOR CARS | IN SERVICE | For ordinary & extraordinary services | 521 | | | 149 |
| | OUT OF SERVICE | Under repair or awaiting repair | 118 | | | 496 |
| | | TOTAL RAIL MOTOR CARS | 639 | | | 645 |

*Coaches.*

20. Passenger coaching stock total is approximately two thirds of that available pre-war, but the serviceable stock is less than one fourth of the 1939 figure. Reductions in speed have resulted in a further reduction of effective capacity to little more than 10 % of pre-war. The demand for passenger traffic is now even greater than pre-war because of the great reduction in motor car availability (see para. 57) and because the widespread breakdown in commercial relationships in Italy has resulted in a revival of the old institution of the commercial traveller carrying his own wares. Stock "awaiting repair" numbers 3,709. Steady although slow, progress is being made in repairing and rebuilding damaged coaches. The workshop facilities suffered much destruction, but the supply of repair materials is the major limiting factor in the rate of repair. Passenger coaches are not only in short supply but are, for the most part, ill equipped. Few coaches have windows, and some are without seats. All passenger trains are very crowded.

*Luggage and Mail Vans.*

21. The total stock of luggage and mail vans has fallen by 30 %, and over half of the vans on hand are waiting repair. The repair situation is parallel to that for coaches (see para. 20). It is estimated that the demand for rail luggage and mail service is almost as great as pre-war.

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TABLE 5

## Italian State Railways

### ROLLING STOCK SITUATION 1939 & 1946

| TYPE ETC. | 1939 | May 1946 | REPAIR POTENTIAL MONTHLY | | | | |
|---|---|---|---|---|---|---|---|
| | | | | Heavy | Medium | Light | Total |
| Coaches in Service I. S. R. | 6,350 | 1,374 | | | | | |
| Coaches in Service Foreign | | 99 | | | | | |
| Coaches Awaiting Repair (I. S. R.) | 994 | 3,211 | | | | | |
| Coaches Awaiting Repair (Foreign) | - | 498 | | | | | |
| Totals | 7,344 | 5,182 | I. S. R. | 15 | 112 | 675 | 802 |
| Luggage & Mail Vans in Service (I. S. R.) | 3,755 | 1,319 | Private Workshops | 10 | 75 | 65 | 150 |
| Luggage & Mail Vans in Service (Foreign) | — | 181 | | | | | |
| Luggage & Mail Vans in Service Awaiting repair (ISR) | 745 | 1,470 | Total | 25 | 187 | 740 | 952 |
| Luggage & Mail Vans in Service Awaiting Repair (Foreign) | — | 132 | | | | | |
| Totals | 4,500 | 3,102 | | | | | |
| Freight Cars In Service (I. S. R.) | 125,956 (1) | 53,829 | I. S. R. | 68 | 875 | 9,630 | 10,573 |
| Freight Cars In Service (Foreign) | — | 29,080 | | | | | |
| Awaiting repair (I. S. R.) | 9,823 | 24,363 | Private Workshops | 380 | 590 | 285 | 1,255 |
| » » (Foreign) | — | 16,495 | | | | | |
| Totals | 135,779 (2) | 123,767 | Totals | 448 | 1,465 | 9,915 | 11,828 |

(1) This compares with 473,500 wagons owned by French National Railways and 630,300 by the German.
(2) Includes 52,600 covered wagons, 53,800 high-sided open, 14,700 low-sided open and flats and 5,500 special.

*Wagons - Freight.*

22. Freight wagons in service are now only 66 % of pre-war. Of these about 35 % are the property of other countries and are always in danger of being withdrawn. Although wagon-turn-round time has almost doubled, from six days pre-war to nearly 12 days at present, these cars are now carrying 70 % of pre-war freight, as a result of much heavier and more efficient loading of individual cars than was done pre-war.

*Wagon Turn Round*

requires shunting of freight trains. The need for conserving short coal supplies has forced a reduction of locomotive speeds.

*Wagon Sheets* (Tarpaulins).

24. The Italian State Railways formerly owned and used 40,000 sheets, in 1946 only about 3,000 are in existence. Much traffic, which could be carried in open cars and sheeted, must now pass in box cars owing to this shortage. Steps are being taken to improve the supply of sheets from local resources.

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Coaches in Service | I. S. R. | 6,350 | 1,374 | | | | | |
| | Foreign | | 99 | | Heavy | Medium | Light | Total |
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*Wagons - Freight.*

22. Freight wagons in service are now only 66 % of pre-war. Of these about 35 % are the property of other countries and are always in danger of being withdrawn. Although wagon-turn-round time has almost doubled, from six days pre-war to nearly 12 days at present, these cars are now carrying 70 % of pre-war freight, as a result of much heavier and more efficient loading of individual cars than was done pre-war.

*Wagon-Turn-Round.*

23. The reasons for the increase in wagon-turn-round are various. Many pre-war double lines are single, many sidings and marshalling yards have had tracks removed for more urgent use elsewhere; long hauls by round-about routes have replaced direct runs, facilities for off-loading wagons have been impaired, and priority traffic requires shunting of freight trains. The need for conserving short coal supplies has forced a reduction of locomotive speeds.

*Wagon Sheets* (Tarpaulins).

24. The Italian State Railways formerly owned and used 40,000 sheets, in 1946 only about 3,000 are in existence. Much traffic, which could be carried in open cars and sheeted, must now pass in box cars owing to this shortage. Steps are being taken to improve the supply of sheets from local resources.

*Priority Traffic.*

25. The inadequate supply of freight cars has led the Italian State Railways to follow, to a certain extent, for civil traffic, the military "bidding" system. Under this system wagons are bespoken in advance by prospective loaders and a stringent priority system of essential traffic

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is enforced. This system, while effective in protecting the movement of vital commodities, is somewhat cumbersome and sometimes defeats its own object, since certain traffic, and particularly perishables, tends to move by other means. On the whole, however, there seems to be no reasonable alternative so long as loading must be controlled.

26. The current priority list for the supply of freight rail cars is as follows:

(a) Allied and Italian military transports.

(b) UNRRA transports.

(c) Empty wagons to be loaded at ports.

(d) Wheat, barley, corn, flour and other derivatives, powdered milk, condensed milk, coarse salt, oils and food greases.

(e) Meat, poultry and live game, fresh fish, milk and fresh dairy produce.

(f) Medicines and prophylactic material.

(g) Vegetables and orchard products when fresh, and perishables, salt-meats, dry cheeses, jams, canned food, salt fishes.

(h) Livestock for slaughtering, poultry and dead game, eggs.

(i) Sugar, cereals, vegetables and orchard products not included in precedent and respective paras. (d) and (g), vinegar.

(j) Monopoly items (excepting coarse salt) and raw material for their manufacture, salt for pastoral industry and for commercial use.

(k) Paper for newspapers, inks for printing, theatrical items, household implements.

(l) Chemical and natural fertilizers, seeds.

(m) Charcoal, fire-wood, lignites, pit coal and other combustibles, fuels.

(n) Non-edible oils and greases, lubricants in general, soaps, vaselines, chemical products (excluding those mentioned in para. (f), virgin olive husks.

(o) Mineral pyrites in general.

(p) Materials for building construction (priority to

(s) Wine and mineral waters in general.

(t) Goods in general, not included in precedent paragraphs.

*Note.* Empty containers must be included among the items that they are going to contain. If required by special temporary circumstances, some items, as for example fertilizers during the period of use, may be temporarily advanced in the priority list.

27. It will be noted that UNRRA traffic is given first priority among civilian goods handled by the Italian State Railways. No UNRRA goods have failed to move because of lack of transport, although at times inadequacy of freight cars has delayed the movement of UNRRA supplies.

28. During May, 1946, all traffic offered in priority categories (a) to (f), inclusive (military and UNRRA traffic, empties, cereals, dairy products, meat, coarse salt, edible fats and oils and salt), was handled by the railroads. 90 % of the bids for categories (g) to (j) inclusive, 80 % of category (k), and 60 % of categories (l) to (s), inclusive, were honored. Only 50 % of the bids for category (t), which includes all goods not comprised in the other 19 categories, were accepted.

29. The above percentages are somewhat misleading. It is doubtful for instance whether 10 % of the traffic in categories (g) to (j), inclusive, fails to move because of lack of freight cars. A tendency exists to overbid in those categories and experience has shown that not all bids accepted are in fact bona fide. On the other hand, it is undoubtedly true that some low priority traffic is not offered for movement because of the practical certainty that bids will not be accepted.

30. Thus the Italian State Railways are at present unable to meet all the demands for movement of freight. The departure of Allied military units will ease the situation somewhat. But only a large-scale rehabilitation program will enable the railroads to take care of the substantial increase of traffic that will accompany the economic revival of the country.

*Permanent Way.*

31. The pre-war length of railroad in Italy compared

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other means. On the whole, however, there seems to be no reasonable alternative so long as loading must be controlled.

26. The current priority list for the supply of freight rail cars is as follows:

(a) Allied and Italian military transports.

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(c) Empty wagons to be loaded at ports.

(d) Wheat, barley, corn, flour and other derivatives, powdered milk, condensed milk, coarse salt, oils and food greases.

(e) Meat, poultry and live game, fresh fish, milk and fresh dairy produce.

(f) Medicines and prophylactic material.

(g) Vegetables and orchard products when fresh, and perishables, salt-meats, dry cheeses, jams, canned food, salt fishes.

(h) Livestock for slaughtering, poultry and dead game, eggs.

(i) Sugar, cereals, vegetables and orchard products not included in precedent and respective paras. (d) and (g), vinegar.

(j) Monopoly items (excepting coarse salt) and raw material for their manufacture, salt for pastoral industry and for commercial use.

(k) Paper for newspapers, inks for printing, theatrical items, household implements.

(l) Chemical and natural fertilizers, seeds.

(m) Charcoal, fire-wood, lignites, pit coal and other combustibles, fuels.

(n) Non-edible oils and greases, lubricants in general, soaps, vaselines, chemical products (excluding those mentioned in para. (f), virgin olive husks.

(o) Mineral pyrites in general.

(p) Materials for building construction (priority to glass, lackings and tiles).

(q) Timber in general excluding fire-wood and wood for building construction.

(r) Machinery and raw materials needed for textile, chemical, metallurgical, naval and similar industries.

items that they are going to contain. If required by special temporary circumstances, some items, as for example fertilizers during the period of use, may be temporarily advanced in the priority list.

27. It will be noted that UNRRA traffic is given first priority among civilian goods handled by the Italian State Railways. No UNRRA goods have failed to move because of lack of transport, although at times inadequacy of freight cars has delayed the movement of UNRRA supplies.

28. During May, 1946, all traffic offered in priority categories (a) to (f), inclusive (military and UNRRA traffic, empties, cereals, dairy products, meat, coarse salt, edible fats and oils and salt), was handled by the railroads. 90 % of the bids for categories (g) to (j) inclusive, 80 % of category (k), and 60 % of categories (l) to (s), inclusive, were honored. Only 50 % of the bids for category (t), which includes all goods not comprised in the other 19 categories, were accepted.

29. The above percentages are somewhat misleading. It is doubtful for instance whether 10 % of the traffic in categories (g) to (j), inclusive, fails to move because of lack of freight cars. A tendency exists to overbid in those categories and experience has shown that not all bids accepted are in fact bona fide. On the other hand, it is undoubtedly true that some low priority traffic is not offered for movement because of the practical certainty that bids will not be accepted.

30. Thus the Italian State Railways are at present unable to meet all the demands for movement of freight. The departure of Allied military units will ease the situation somewhat. But only a large-scale rehabilitation program will enable the railroads to take care of the substantial increase of traffic that will accompany the economic revival of the country.

*Permanent Way.*

31. The pre-war length of railroad in Italy compared with other European countries is shown in the following table. It should, of course, be borne in mind that while this gives an indication of the relative availability of rail transport in the countries concerned, an accurate picture could only be obtained by comparing also the physical quantity and quality of locomotives and rolling stock. Figures on this are not available.

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TABLE 6

## Length of rail track in European countries (1934)

| Country | Length of line in use | | per 10,000 inhabitants |
|---|---|---|---|
| | Length | Per sq. Km. of country | |
| | Km. | Km. | Km. |
| Italy | 23,035 | 7.4 | 5.4 |
| Belgium | 10,252 | 33.7 | 12.4 |
| Bulgaria | 3,282 | 1.4 | 5.3 |
| Czechoslovakia | 13,917 | 9.9 | 9.2 |
| Denmark | 5,352 | 12.5 | 14.6 |
| Eire | 4,816 | 7.0 | 15.9 |
| Estonia | 1,447 | 3.0 | 12.8 |
| Finland | 5,829 | 1.5 | 16.4 |
| France | 64,620 | 11.7 | 15.4 |
| German-Reich | 68,728 | 14.6 | 10.3 |
| Austria | 8,192 | 9.8 | 12.1 |
| Greece | 2,686 | 2.1 | 4.0 |
| Jugoslavia | 10,182 | 4.1 | 6.9 |
| Latvia | 3,093 | 4.7 | 15.9 |
| Lithuania | 1,794 | 3.1 | 7.2 |
| Luxembourg | 343 | 21.0 | 17.8 |
| Norway | 3,915 | 1.2 | 13.6 |
| Low Countries | 3,635 | 10.6 | 4.3 |
| Poland | 21,712 | 5.6 | 6.5 |
| Portugal | 3,489 | 3.7 | 4.8 |
| United Kingdom | 32,816 | 13.6 | 7.0 |
| Rumania | 11,920 | 4.0 | 6.3 |
| Spain | 16,319 | 3.2 | 6.6 |
| Sweden | 16,812 | 3.7 | 27.0 |
| Switzerland | 5,855 | 14.2 | 14.1 |
| Turkey * | 6,482 | 0.9 | 4.3 |
| Hungary * | 8,828 | 9.5 | 10.0 |
| USSR | 81,580 | 0.4 | 4.8 |

* 1933 figures.

Source: *Annuario Statistico Italiano*, Anno 1938.

32. The Italian State Railways' standard of pre-war maintenance was generally high. Road beds are well built and ballasted, and rails are of adequate section. Table 7 illustrates, somewhat superficially, this deterioration of the permanent way between 1939 and March 1946.

33. Although in Table 7 tracks and plants are recorded as being in service, not all tracks and facilities are even in fair condition. The war through Italy passed from and bridges, usually of a temporary character. The urgent need for reconstruction of rail routes, essential for the movement of military supplies, led to heavy cannibalisation of tracks in sidings and on lines not considered essential to military operations. For instance, the whole of the line from Vairano to Isernia in central Italy was taken up and used elsewhere, the original rail-bed being used as a highway.

TABLE 7

## Comparison of Italian State Railway Permanent way: 1939 and 1946

| | 1939 (a) Kilometers of track | 1946 (March) | Percentage reduction |
|---|---|---|---|
| | | | % |
| Steam Traction Lines Operating | 12,139 | 11,253 | 7.3 |
| Electric Traction Lines Operating | 4,841 | 3,571 | 26.2 |
| Total Length in Operations (1) | 16,980 | 14,824 | 12.6 |

(1) 4,500 kilometers were double tracked, mostly on main routes in north Italy.

| | 1939 (b) Bridges | 1945 and tunnels | Percentage reduction |
|---|---|---|---|
| | | | % |
| Iron Bridges Serviceable, Nos. | 3,275 | 3,155 | 3.7 |
| Masonry Bridges Serviceable, Nos. | 10,894 | 9,248 | 15.0 |
| Tunnels and Bridges Serviceable, Kms. | 919 | 889 | 3.3 |

34. Moreover, reconstruction was not based on the future requirements of Italian economy, but on the speed with which a given line could be placed in service, and often changing military conditions resulted in a line with a high economic priority being relegated to a lower position. Long stretches of track have been put to usages which pre-war conditions never required, and which post-war conditions do not warrant. The section between Taranto and Crotone and down to the toe of Italy was pressed into service because a high bridge at Gioia Tauro, on the mail line between Naples and Reggio Calabria (for Sicily) had been destroyed. This track is now completely worn out; the repair of the damaged bridge was afforded no military priority because its use would be almost entirely for civilian traffic. The old steam route between Naples and Rome via Frosinone, relieved by direct electrified route via Formia, was speedily repaired by the military authorities. It has

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| | Length | of country | |
|---|---|---|---|
| | Km. | Km. | Km. |
| Italy . . . | 23,035 | 7.4 | 5.4 |
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| Bulgaria . . . | 3,282 | 1.4 | 5.3 |
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| Denmark . . . | 5,352 | 12.5 | 14.6 |
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33. Although in Table 7 tracks and plants are recorded as being in service, not all tracks and facilities are even in fair condition. The war through Italy passed from the toe and heel to the Pisa-Rimini line; often the rail route ran through the only valley, and suffered accordingly. Apart from German destruction in the retreat and the effects of Allied bombing, the urgent necessity for the Allies was to re-establish means of rail transport. This resulted in the hasty reconstruction of tracks the whole of the line from Vairano to Isernia in central Italy was taken up and used elsewhere, the original railbed being used as a highway.

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past summer, many of the bridges and tracks still in service must undergo permanent reconstruction before heavy traffic can be carried.

35. Tracks in the north did not perhaps suffer so much damage and cannibalization, because the nature of the surrender enabled some protection to be given. But the north is interspersed with rivers and practically every Po crossing was destroyed. Much of the precious double tracking is now single, and in many cases military construction resulted in the reconstructed track being placed in the centre to make full use of existing ballast. This means that double tracking cannot be laid without taking up the existing track, so that for months operational checks will continue on practically every main line where double tracking is in progress.

### *Rail System Communications, Signalling and Telegraphs.*

36. The comparative position regarding communications as at 31 December 1935 and 1939 is shown in Table 8.

TABLE 8

Rail System Communications, Signalling and Telegraphs
(for general postal communications see Port Two)

| | 1939 | 1945 |
|---|---|---|
| Telegraph Lines K. M. S. | 50,600 | 35,190 |
| Serviceable Telegraph Points | 7,890 | 4,474 |
| Telephone Lines K. M. S. | 53,600 | 40,480 |
| Serviceable Telephone Points | 17,180 | 11,301 |
| Serviceable Automatic Block KMS | 399 | 58 |
| Semi-Automatic Blocks K.M.S. | 3,237 | 1,310 |
| Serviceable Block Points K.M.S. | 890 | 329 |

37. Before the war the Italian signalling and communication system had reached a high standard of efficiency. Based mainly on the British semaphore or color-aspect, it also included the European station block system, whereby all station area movements were under the control of one official. The general use of hydraulic and electric power for signalling had its post-war repercussions, noticeably at the many level crossings previously power-operated from signal cabins and now manually controlled locally. On many lines, station to station block working is necessary, and the absence of

### *Goods carried by I. S. R.*

38. As an indication of the amount of goods traffic on the Italian railways, the total carried in the year ended 30 June 1939 was 54.4 million tons. For some main items of goods the figures were as follows:

| | 1938-39 Metric tons |
|---|---|
| Coal | 6,027,919 |
| Steel, pig-iron, etc. | 3,505,859 |
| Cement | 2,641,868 |
| Cereals | 2,156,014 |
| Phospates | 1,482,784 |
| Lignites | 1,402,961 |
| Coke | 1,323,034 |
| Pyrites | 1,223,167 |
| Timber (for construction) | 1,190,333 |
| Marble and stones | 982,231 |
| Wine (internal and export) | 820,721 |
| Foodstuffs | 680,517 |
| Sugar | 390,465 |
| Refractory earth | 372,916 |
| Dried fruit, vegetables, potatoes | 368,619 |
| Sand | 307,862 |
| Sugar beet | 273,197 |
| Carburants | 235,004 |
| Charcoal | 224,419 |
| Fuel wood | 217,744 |
| Sulphur | 206,503 |
| Oil, butter and fats | 168,219 |
| Olive husks for soap | 139,556 |
| Fertilizers (azotic) | 129,311 |
| Fruits and vegetables | 109,866 |
| Soda (Solvay Co.) | 81,460 |
| Chalk | 76,844 |

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north is interspersed with rivers and practically every Po crossing was destroyed. Much of the precious double tracking is now single, and in many cases military construction resulted in the reconstructed track being placed in the centre to make full use of existing ballast. This means that double tracking cannot be laid without taking up the existing track, so that for months operational checks will continue on practically every main line where double tracking is in progress.

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| Serviceable Telegraph Points | 7,890 | 4,474 |
| Telephone Lines K. M. S. | 58,600 | 40,480 |
| Serviceable Telephone Points | 17,180 | 11,301 |
| Serviceable Automatic Block KMS | 399 | 58 |
| Semi-Automatic Blocks K.M.S. | 3,237 | 1,310 |
| Serviceable Block Points K.M.S. | 890 | 320 |

37. Before the war the Italian signalling and communication system had reached a high standard of efficiency. Based mainly on the British semaphore or color-aspect, it also included the European station block system, whereby all station area movements were under the control of one official. The general use of hydraulic and electric power for signalling had its post-war repercussions, noticeably at the many level crossings previously power-operated from signal cabins and now manually controlled locally. On many lines, station to station block working is necessary, and the absence of adequate signalling and communications has reduced speeds and efficient operation control considerably. In such places as Rome, Naples, and the towns of the north, power operated points and signals have been restored as absolute essentials, but the shortage of colored glass will delay restoration of efficient signalling on many lines.

| | 1938-39 Metric tons |
|---|---|
| Coal | 6,027,919 |
| Steel, pig-iron, etc. | 3,505,850 |
| Cement | 2,641,863 |
| Cereals | 2,156,014 |
| Phosphates | 1,482,784 |
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| Pyrites | 1,223,167 |
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| Sand | 307,862 |
| Sugar beet | 273,197 |
| Carburants | 235,004 |
| Charcoal | 224,449 |
| Fuel wood | 217,744 |
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| Oil, butter and fats | 168,219 |
| Olive husks for soap | 139,556 |
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| Soda (Solvay Co.) | 81,460 |
| Chalk | 76,844 |
| Rags, jute, and cellulose | 57,810 |
| Salt | 27,191 |
| Fresh and frozen meat | 15,114 |
| Chemical fertilizers | 7,238 |

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## *RATES AND FARES*

39. (*a*) Rail fares for passengers have increased since 1938. They stand in 1946 at eight times the 1938 rates for first class travel and six times for second and third class travel. The comparison is as follows:

TABLE 9

Rail fares (in lire) for passengers: 1938 and 1946

| Distance in kilometers | 1938 | | | 1946 | | |
|---|---|---|---|---|---|---|
| | Class | | | Class | | |
| | 1st | 2nd | 3rd | 1st | 2nd | 3rd |
| 50 | 33 | 22 | 14 | 264 | 132 | 84 |
| 100 | 63 | 43 | 26 | 504 | 258 | 156 |
| 250 | 150 | 101 | 60 | 1,200 | 606 | 360 |
| 500 | 263 | 177 | 104 | 2,104 | 1,062 | 624 |
| 1000 | 417 | 280 | 165 | 3,336 | 1,680 | 990 |

(*b*) As regard goods, freight rates in 1946 are 9.6 times higher overall than the 1938 rates. The following table shows the rates for five important items of goods for a distance of 100 and 500 kilometers. A comparison is also made with the rates for these commodities in 1946 (1938 = 100).

TABLE 10

Railway goods rates (in lire per metric ton) for certain commodities: 1938 and 1946

| | 1938 | | 1946 | | Index showing 1946 increase over 1938 (1938 = 100) | |
|---|---|---|---|---|---|---|
| | Rates for | | Rates for | | Rates for | |
| | 100 Kms | 500 Kms | 100 Kms | 500 Kms | 100 Kms | 500 Kms |
| Wheat | 28.64 | 99.62 | 297.84 | 935.92 | 1,040 | 939 |
| Coal | 26.10 | 85.72 | 261.76 | 823.44 | 1,000 | 961 |
| Gasoline | 56.65 | 218.18 | 553.04 | 2,024.88 | 976 | 928 |
| Non-wrought iron in bars | 36.85 | 141.35 | 366.56 | 1,349.52 | 995 | 955 |
| Cement | 30.59 | 105.51 | 315.12 | 1,028.08 | 1,030 | 974 |

and 16,500 million lire in 1945-46. Furthermore, extraordinary expenditure (for reconstruction of lines, equipment and buildings destroyed or damaged on account of the war) amounted to 3,065 million lire in 1944-45 and 21,655 in 1945-46.

For the 1946-47 financial year the operational deficit is estimated at 6,000 million lire and the extraordinary expenditure for reconstruction purposes at 51,000 million lire.

## *PERSONNEL*

40. The following were the number of employees in the Italian State Railways in 1939 and 1946:

| | June 1939 | March 1946 |
|---|---|---|
| Regular employees . . . . . | 119.312 | 111.841 |
| Temporary employees . . . . | 18.768 | 87.043 |
| TOTAL . . | 138.080 | 198.884 |

There are over 60,000 more employees than pre-war. This is in the main due to war contingencies, and the staff cannot perhaps be regarded as so efficiently trained as before the war. A reduction in the temporary staff is inevitable and it is understood that a decree to give effect to a reduction is being considered by the Ministry of Transport.

## *ELECTRIFICATION*

41. Between 1939 and 1943, electrification of the Italian State Railways was extended and the kilometrage operating by electric power increased from 4,841 to 5,600. This electrification covered the dense traffic areas and, although in 1939 only one-third of the total lines was electrified, these carried well over 50 % of all traffic. Apart from the systematic cutting and removal of overhead cables, many electrical installations and power plants suffered heavy damage. Before the war, electrification saved Italy an estimated 1,800,000 tons of coal per annum and the full resumption of the electric

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| 250 | 150 | 101 | 60 | 1,200 | 606 | 360 |
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(*b*) As regard goods, freight rates in 1946 are 9.6 times higher overall than the 1938 rates. The following table shows the rates for five important items of goods for a distance of 100 and 500 kilometers. A comparison is also made with the rates for these commodities in 1946 (1938 = 100).

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| Non-wrought iron in bars | 36.85 | 141.35 | 366.56 | 1,319.52 | 995 | 955 |
| Cement | 30.59 | 105.51 | 315.12 | 1,028.08 | 1,030 | 974 |

(*c*) These increases are substantially lower than the currency circulation increase (about 20 times over pre-war). The existing rates and fares are not economically sound and railways operations are a drain on the Italian Treasury. The operational deficit was 8,500 million lire in 1944-45 For the 1946-47 financial year the operational deficit is estimated at 6,000 million lire and the extraordinary expenditure for reconstruction purposes at 51,000 million lire.

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42. The following note illustrates the economic interrelation of electrification and coal supply:

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TABLE 11

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1899

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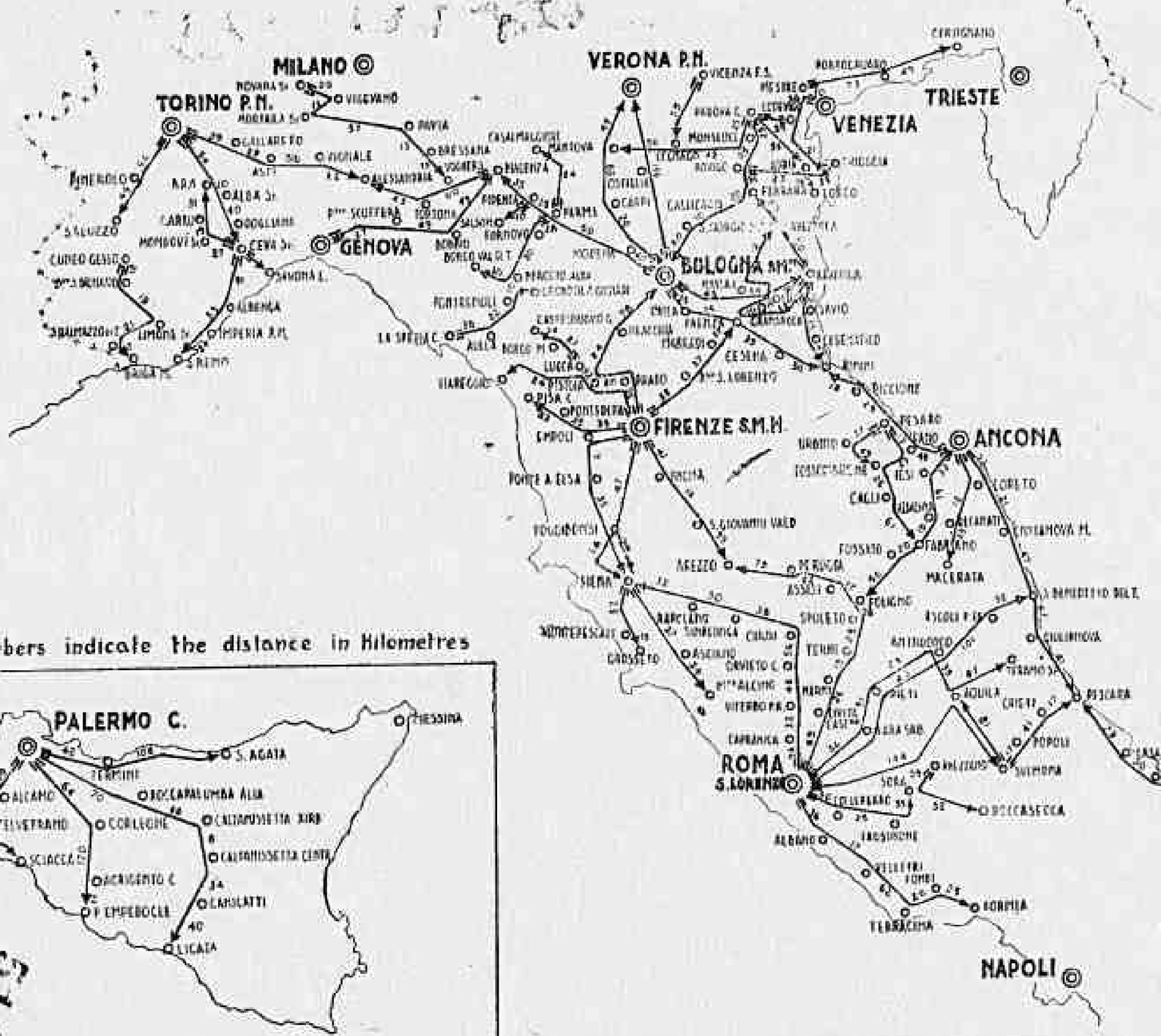
# ROADS IN ITALY ON WHICH THE ITALIAN STATE RAILWAYS HAD A ROAD TRUCK SERVICE FOR GOODS IN MAY 1946

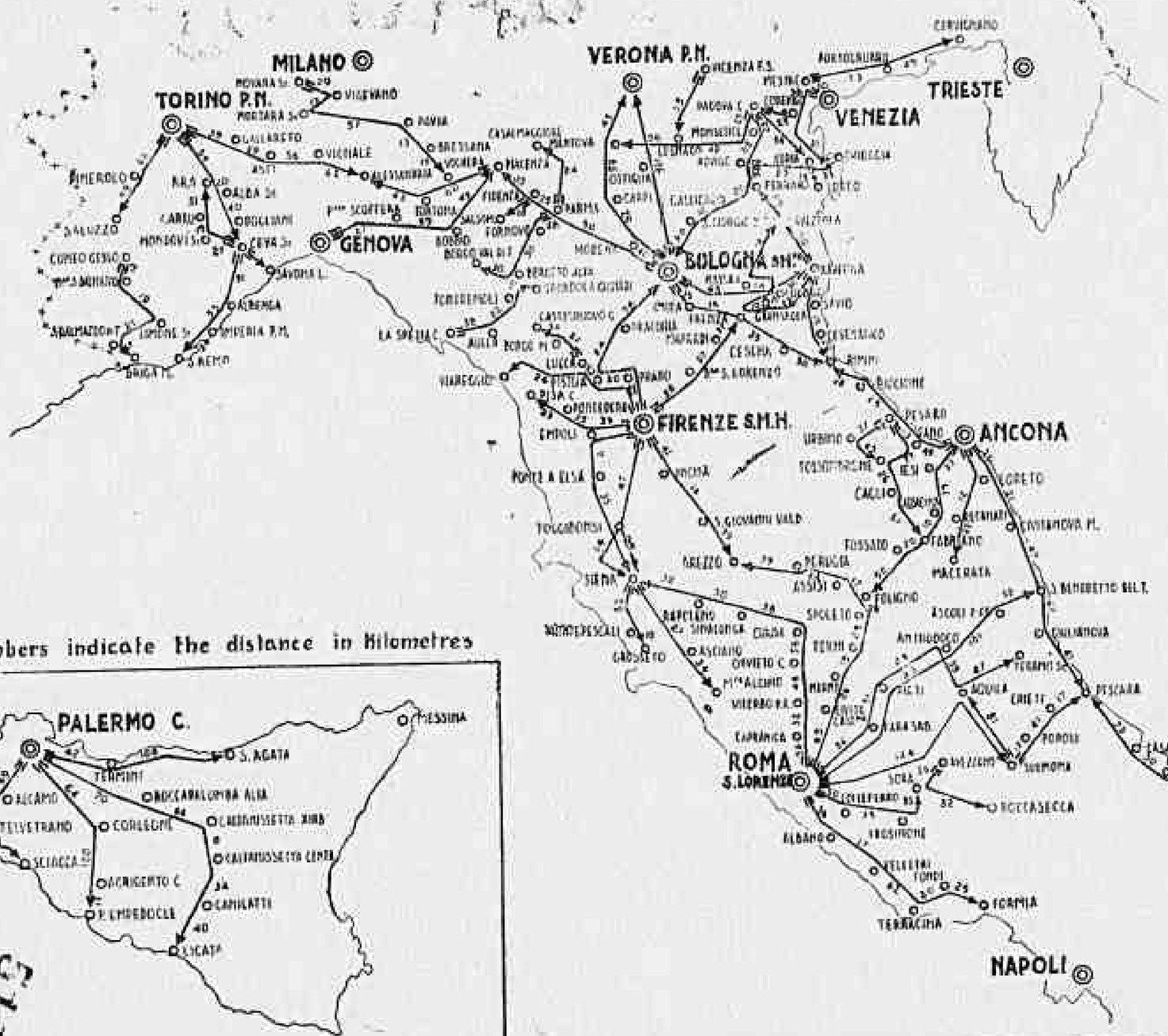



The numbers indicate the distance in kilometres

1900

Declassified E.O. 12356 Section 3.3/NND No. 785015

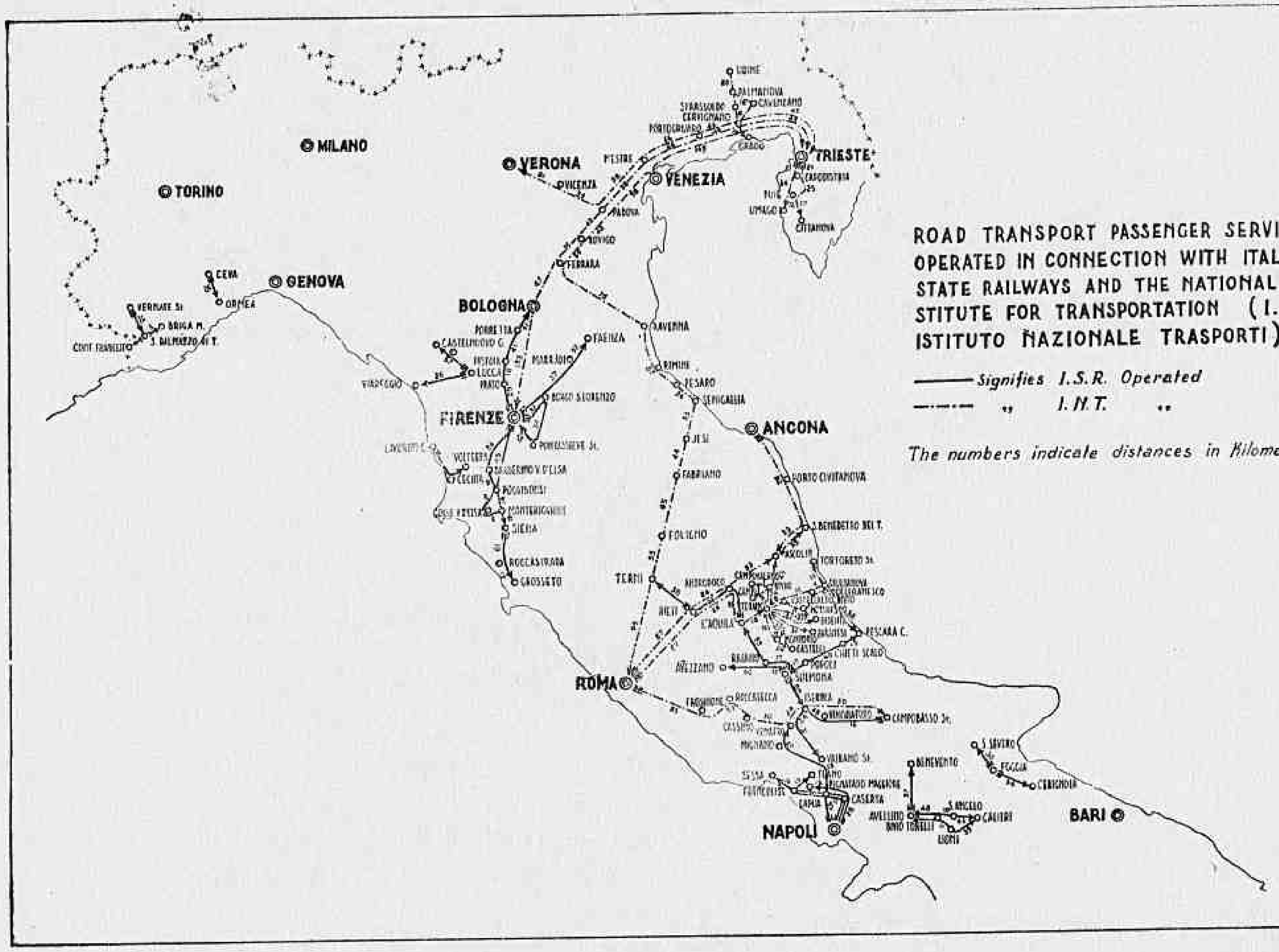
# ROADS IN ITALY ON WHICH THE ITALIAN STATE RAILWAYS HAD A ROAD TRUCK SERVICE FOR GOODS IN MAY 1946




The numbers indicate the distance in kilometres

1901

Declassified E.O. 12356 Section 3.3/NND No. 785015




ROAD TRANSPORT PASSENGER SERVICES OPERATED IN CONNECTION WITH ITALIAN STATE RAILWAYS AND THE NATIONAL INSTITUTE FOR TRANSPORTATION (I.N.T. ISTITUTO NAZIONALE TRASPORTI)

——— *Signifies I.S.R. Operated*

—·—·— ,, *I.N.T.* ,,

*The numbers indicate distances in Kilometres*

1902

Declassified E.O. 12356 Section 3.3/NND No. 785015




ROAD TRANSPORT PASSENGER SERVICES OPERATED IN CONNECTION WITH ITALIAN STATE RAILWAYS AND THE NATIONAL INSTITUTE FOR TRANSPORTATION (I.N.T. ISTITUTO NAZIONALE TRASPORTI)

——— *Signifies I.S.R. Operated*

—·—·— „ *I.N.T.* „

*The numbers indicate distances in Kilometres*

TABLE 181

## *Study of the Effect of Railway Electrification on Coal Consumption and on requirements of copper.*

(a) Copper required to electrify 1 kilometre of railway (single line):—

| | *Kgs.* |
|---|---|
| 1 Km. of main line | 3,600 |
| 1 .. .. sidings | 2,300 |

For 1 kilometre of track the following is the average requirement:—

| | *Kgs.* |
|---|---|
| 1 Km. of main line | 3,600 |
| 0.4 .. .. sidings | 1,000 |
| 0.2 .. .. feeders in stations | 400 |
| Total | 5,000 |

Thus, for every kilometre of single track electrified, 5 tons of copper are required.

(b) It is not possible to correlate the amount of copper required for high tension lines to kilometres of track as these do not always follow the railway.

(c) The high tension lines are in fairly good condition and are chiefly made of steel aluminium, which can be made in Italy.

(d) Coal consumption on the I.S.R. for the year 1941-42 was as follows:—

| | *Tons* |
|---|---|
| Main line running | 2,061,026 |
| Shunting | 333,058 |
| Total | 2,394,084 |

which is equivalent to 26.73 kgs. per train kilometre.

(e) The coal consumption naturally varies over each section of the line due to the density of the traffic and the grade of the line.

(f) The average weight of steam hauled trains per locomotive was 302 tons.

(g) Total kilometres of track (including double line) steam operated is 11,400 Kms.
Total train kilometres (steam) run during 1941-42 was 89,561,539 (steam hauled).
This gives a traffic density of 7,856 trains yearly or 215 daily per kilometre of track.

(h) The average weight of electrically hauled trains is 391 tons per locomotive (i.e. 89 tons more than steam hauled trains).
Total train kilometres (electric) run in 1941-42 was 89,144,486.
Total length of track operated electrically 5,403 kilometres.
This gives traffic density of 16,554 trains yearly or 45 trains daily per kilometre of track.

(i) The importation of 1,000 tons of copper will electrify 200 Kms. of track and thus save the running of 1,571,200 steam train Kms. each train Km. requires 26.73 Kgs. of coal.

### *I.S.R. Reconstruction Plans.*

43. The Italian State Railways have prepared a comprehensive plan for reconstruction, divided into five parts: (a) lines and stations, (b) electric services, (c) signal and safety installations, (d) rolling stock and repair shops, and (e) warehouse supplies. Each is divided into four phases, with the exception of that for signal and safety installations which is divided into five phases. The whole program is designed to be carried through in 10 years.

(a) *Line and Station Reconstruction.*

The phases in the plan are as follows:

*Phase I*: The main north-south and east-west lines, those serving the principal maritime ports and those to other countries. These lines carried 63 % of pre-war traffic. This phase also includes the larger passenger and goods stations and frontier stations.

*Phase II*: Less important main lines which carried 25 % of pre-war traffic.

*Phase III*: The lines of more local character which connect the country towns with provincial capitals.

*Phase IV*: The remainder of the system.

(b) *Electric Services.*

The phases in the plan proposed are:

*Phase I*: Hydro electric power stations and circuits (but at this stage without the duplication of wiring necessary for absolute reliability) and the most important lines. In this and the latter phases priority will be governed by the necessity to repair first those lines which have heavy gradients and long tunnels, balancing this with the desirability of early repair of the lines which have suffered the least damage.

*Phases II-IV*: The secondary main lines to the least important lines as in the case of line and station reconstruction.

(c) *Signal and Safety Installations.*

These installations are phased according to their degree of first importance, e.g. telegraph or train control, or of less importance, e.g. those which are not indispensable, but the use of which gives better service. The importance of the lines or station which they

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| | Kgs. |
|---|---|
| 1 Km. of main line | 3,600 |
| 1 ,, ,, sidings | 2,300 |

For 1 kilometre of track the following is the average requirement :—

| | Kgs. |
|---|---|
| 1 Km. of main line | 3,600 |
| 0.4 ,, ,, sidings | 1,000 |
| 0.2 ,, ,, feeders in stations | 400 |
| TOTAL | 5,000 |

Thus, for every kilometre of single track electrified, 5 tons of copper are required.

(b) It is not possible to correlate the amount of copper required for high tension lines to kilometres of track as these do not always follow the railway.

(c) The high tension lines are in fairly good condition and are chiefly made of steel aluminium, which can be made in Italy.

(d) Coal consumption on the I.S.R. for the year 1941-42 was as follows :—

| | Tons |
|---|---|
| Main line running | 2,061,026 |
| Shunting | 333,058 |
| TOTAL | 2,394,084 |

which is equivalent to 26.73 kgs. per train kilometre.

(e) The coal consumption naturally varies over each section of the line due to the density of the traffic and the grade of the line.

(f) The average weight of steam hauled trains per locomotive was 302 tons.

(g) Total kilometres of track (including double line) steam operated is 11,100 Kms.
Total train kilometres (steam) run during 1941-42 was 89,561,539 (steam hauled).
This gives a traffic density of 7,836 trains yearly or 215 daily per kilometre of track.

(h) The average weight of electrically hauled trains is 391 tons per locomotive (i.e. 89 tons more than steam hauled trains).
Total train kilometres (electric) run in 1941-42 was 89,144,486.
Total length of track operated electrically 5,403 kilometres.
This gives traffic density of 16,554 trains yearly or 45 trains daily per kilometre of track.

(i) The importation of 1,000 tons of copper will electrify 200 Kms. of track and thus save the running of 1,571,200 steam train Kms. each train Km. requires 26.73 Kgs. of coal.
There is thus normally a saving of 42,000 tons of coal.

(j) The figure of 42,000 tons is also obtained by taking the total consumption of coal at 2,394,081 tons for 11,400 kilometres of track which gives 210 tons per kilometre or 42,000 for 200 kilometres.

(k) This saving is of course based on the assumption that the electric current will be obtained from hydro-electric plants.

signal and safety installations, (d) rolling stock and repair shops, and (e) warehouse supplies. Each is divided into four phases, with the exception of that for signal and safety installations which is divided into five phases. The whole program is designed to be carried through in 10 years.

(a) *Line and Station Reconstruction.*

The phases in the plan are as follows:

*Phase I*: The main north-south and east-west lines, those serving the principal maritime ports and those to other countries. These lines carried 63 % of pre-war traffic. This phase also includes the larger passenger and goods stations and frontier stations.

*Phase II*: Less important main lines which carried 25 % of pre-war traffic.

*Phase III*: The lines of more local character which connect the country towns with provincial capitals.

*Phase IV*: The remainder of the system.

(b) *Electric Services.*

The phases in the plan proposed are:

*Phase I*: Hydro-electric power stations and circuits (but at this stage without the duplication of wiring necessary for absolute reliability) and the most important lines. In this and the latter phases priority will be governed by the necessity to repair first those lines which have heavy gradients and long tunnels, balancing this with the desirability of early repair of the lines which have suffered the least damage.

*Phases II-IV*: The secondary main lines to the least important lines as in the case of line and station reconstruction.

(c) *Signal and Safety Installations.*

These installations are phased according to their degree of first importance, e.g. telegraph or train control, or of less importance, e.g. those which are not indispensable, but the use of which gives better service. The importance of the lines or station which they serve is also taken into account.

(d) *Rolling Stock and Repair Shops.*

Locomotives, both electric and steam, and all types of freight and passenger stock are phased for reconstruction in accordance with the importance and estimated requirements of traffic. This part of the program

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includes phased plans for the reconstruction of 18 locomotive and wagon repair shops, the provision or repair of machinery and equipment for 64 shops and of tools for 80 shops.

(c) *Warehouse Supplies.*

This program is based on the regaining of the 1939 position, and proposes that stocks of machinery, timber, etc., shall be at the 1939 level at the end of Phase III, when fuel stocks will be 85 %, complete. Stocks of fuel are to be completed at the end of Phase IV.

## *PRIVATE RAILWAYS*

### *General.*

44. The correct title for private railways in Italy is "Railways in Concession from the State to Private Industry," for few are privately owned. They are in fact railways operated by private concerns, totally or in part on their own permanent way, for transportation of passengers and freight. The construction and operation are a concession from the State, usually for a period of 70 years. At the end of the concession the State becomes owner of the lines, fixed plant and equipment, and may purchase rolling stock and other movable equipment. These lines are in the main efficient in operation and direction, serving areas which would otherwise be limited in transportation facilities. Some of them tackle considerable gradients and serve as feeders to the I.S.R., such as the Spoleto-Norcia electrified narrow gauge line which serves the fertile valley of the river Nera, bringing produce and passengers to the I.S.R. line at Spoleto. Others are competitive, to some degree, as the Rome-Nord between Rome and Viterbo, whilst others, such as the heavily patronised Rome-Ostia Lido service, have opened new ground and secured much traffic.

### *Organisation.*

45. For administrative purposes, the country is divided into 18 Compartimenti (including Sicily and Sardinia) in each of which is a branch office of the Ispettorato Generale della Motorizzazione Civile e dei Trasporti in Concessione (Inspector General of Civil Motor Transport and of Transport Concessions). The Ispettorato Generale Headquarters is a sub-section of the Ministry of Transport and it is directly concerned with

attached to tickets sold or by other payments, but in few cases does the return equal the subsidy.

### *Management.*

47. Many of these lines are operated locally by a manager, but controlled by a holding concern with a head office elsewhere. For instance, the Società Italiana Strade Ferrate del Mediterraneo (Italian Mediterranean Railway) with Head Office in Rome, is the holding body for 14 companies operating in southern Italy, many of which are not connected physically.

### *Reconstruction.*

48. The Sud-Est system in the heel of Italy was the only private line of military importance. Lack of military importance prejudiced repair facilities of other lines. They were in the main left to their own devices, and have been hard pressed in securing materials for reconstruction. Private railways in the battle areas, such as Bologna, Siena and on the East Coast received heavy damage, but many of them have been able to arrange temporary repairs for parts of their systems. Wood fuel is often used where steam traction is employed.

49. In October 1944, Decree 346 was published giving private railways the opportunity of borrowing State money for reconstruction purposes. The loan terms required a stringent submission of details of damage and included a form of mortgage on rolling stock. This applied to Italian Government controlled territory only and did not include the area covered by the Allied Military Government, but by a further Decree of 8 January 1946, i.e. immediately after the northern provinces had been returned to Italian Government control, provision was made for similar facilities in the north with the exception of the province of Udine and of Venezia Giulia. The total amounts advanced to March 1946 in central and southern Italy were 258,941,038 lire.

## *EXTRA-URBAN-TRAMWAYS*

50. Italy has developed an extra-urban form of rail transport, which is also "in concession" and under control of the Ispettorato Generale della Motorizzazione Civile e Trasporti in Concessione. The lines run alongside ordinary highways for almost their entire length. Their service is public for freight and passengers. They [illegible] and operated in concession from the

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This program is based on the regaining of the 1939 position, and proposes that stocks of machinery, timber, etc., shall be at the 1939 level at the end of Phase III, when fuel stocks will be 85 % complete. Stocks of fuel are to be completed at the end of Phase IV.

## *PRIVATE RAILWAYS*

### *General.*

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### *Organisation.*

45. For administrative purposes, the country is divided into 18 Compartimenti (including Sicily and Sardinia) in each of which is a branch office of the Ispettorato Generale della Motorizzazione Civile e dei Trasporti in Concessione (Inspector General of Civil Motor Transport and of Transport Concessions). The Ispettorato Generale Headquarters is a sub-section of the Ministry of Transport and it is directly concerned with all forms of transport "in concession from the State."

### *Financial Structure.*

46. There is a State subsidy to such railways, based on an agreed sum per worked kilometre, and in most cases a return to the State is made through taxed stamps

[illegible] head office elsewhere. For instance, the Società Italiana Strade Ferrate del Mediterraneo (Italian Mediterranean Railway) with Head Office in Rome, is the holding body for 14 companies operating in southern Italy, many of which are not connected physically.

### *Reconstruction.*

48. The Sud-Est system in the heel of Italy was the only private line of military importance. Lack of military importance prejudiced repair facilities of other lines. They were in the main left to their own devices, and have been hard pressed in securing materials for reconstruction. Private railways in the battle areas, such as Bologna, Siena and on the East Coast received heavy damage, but many of them have been able to arrange temporary repairs for parts of their systems. Wood fuel is often used where steam traction is employed.

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## *EXTRA-URBAN-TRAMWAYS*

50. Italy has developed an extra-urban form of rail transport, which is also "in concession" and under control of the Ispettorato Generale della Motorizzazione Civile e Trasporti in Concessione. The lines run alongside ordinary highways for almost their entire length. Their service is public for freight and passengers. They are constructed and operated in concession from the State, and also have concessions from the ground owners. The duration of such concessions coincide, and on termination all fixed plants and equipment of the lines become the property of the road owners where they have provided financial support for up-keep. In cases where no financial support has been given, special agreements

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are drawn up whereby the owner of the line must remove all fixed plant and equipment—which remain his property, as does all rolling stock. State supervision is maintained over construction, safety of operation, fares, timings, etc. The exact definition of a line as a railway or tramway is made at the time concessions are granted.

51. There are 114 standard gauge and 51 narrow gauge extra-urban tramway systems in Italy, totalling 678,259 km. of steam traction and 1,537,942 of electric traction. They link many villages and outlying areas with market or larger towns, and often run for considerable distances. In some cases railways and extra-urban tramways are combined to provide a further length of through traffic. In central areas considerable damage occurred during the war, but the light nature of the tracks has in the main permitted partial resumption of services on restricted power with limited vehicles.

## *TRANSPORTATION - ROAD*
*(See Road Map-Table II)*

### *General.*

52. Italy had in 1939, 178,281 Km. of roads as follows:—

| | *Km.* | |
|---|---|---|
| State roads | 21,340 | (main trunk roads) |
| Provincial routes | 41,493 | (secondary roads) |
| Communal roads | 115,448 | (secondary roads) |

Italy has 1 Km. of roads for about half a square Km. of land surface. The road system of Italy is well constructed and developed and the whole system is in use. The road communications in the North are better than in the South. There are main two-way roads which cross the Alps (i) from Switzerland at Simplon, (ii) from France at Ventimiglia and Modane; (iii) from Austria at the Brenner Pass.

53. The road transport available in Italy for the movement of goods is comparatively satifactory. This is true particularly for the number of load carrying vehicles and tonnage lift available. Facilities are at present above requirements and it is anticipated that this condition will continue indefinitely until the surplus is absorbed by the development of an export market for Italian trucks and the normal replacement and junking of less efficient units.

54. The map in Table 12 indicates the roads on which the Italian State Railways have motor-truck services for goods. These serve as an auxiliary and feeder to the railway service. The road service was initiated in 1939 and was substantially increased in 1945 when a large number of motor-trucks provided by the Allied Commission was received. These additional trucks were also used as substitutes for rail services interrupted as a result of war damage.

The map in Table 13 shows the regular road passenger services maintained by road motor vehicles operated by the Italian State Railways and the National Transportation Institute (I.N.I. - Istituto Nazionale Trasporti) which is associated with the Italian State Railways. These services serve as an auxiliary to the rail passenger service.

Load - Carrying Road Vehicles — TABLE 14

| Classes of Vehicles | Number of Vehicles | | Increase or Decrease | | Carrying Capacity in Quintals (2) | | Increase or Decrease | |
|---|---|---|---|---|---|---|---|---|
| | 1939 | 1946 | No. | Percentage | 1939 | 1946 | Quintals | Percentage |
| (*a*) IN OPERATION | | | | | | | | |
| Less than 20 quintals . . . | 55,514 | 68,118 | + 12,604 | + 22 | 480,751 | 609,385 | + 128,634 | + 27 |
| 20 to 40 quintals . . . | 20,897 | 25,014 | + 4,117 | + 19 | 663,897 | 763,697 | + 99,800 | + 15 |
| Over 40 quintals . . . . | 13,182 | 12,514 | — 668 | — 5 | 775,102 | 748,800 | — 31,302 | — 4 |
| (*b*) HELD BY A.R.A.R. (Azienda Rilievo Alienazioni Residuati) (1) | | | | | | | | |
| tonnage | — | 10,000 | + 10,000 | | — | 200,200 | + 200,200 | |

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as a railway or tramway is made at the time concessions are granted.

51. There are 114 standard gauge and 51 narrow gauge extra-urban tramway systems in Italy, totalling 678.259 km. of steam traction and 1.537,942 of electric traction. They link many villages and outlying areas with market or larger towns, and often run for considerable distances. In some cases railways and extra-urban tramways are combined to provide a further length of through traffic. In central areas considerable damage occurred during the war, but the light nature of the tracks has in the main permitted partial resumption of services on restricted power with limited vehicles.

## *TRANSPORTATION - ROAD*

*(See Road Map-Table 11)*

### *General.*

52. Italy had in 1939, 178,281 Km. of roads as follows:—

| | *Km.* | |
|---|---|---|
| State roads | 21.340 | (main trunk roads) |
| Provincial routes | 41.493 | (secondary roads) |
| Communal roads | 115.448 | (secondary roads) |

France at Ventimiglia and Modane; (iii) from Austria at the Brenner Pass.

53. The road transport available in Italy for the movement of goods is comparatively satifactory. This is true particularly for the number of load carrying vehicles and tonnage lift available. Facilities are at present above requirements and it is anticipated that this condition will continue indefinitely until the surplus is absorbed by the development of an export market for Italian trucks and the normal replacement and junking of less efficient units.

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TABLE 14

### Load - Carrying Road Vehicles

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|---|---|---|---|---|---|---|---|---|
| | 1939 | 1946 | No. | Percentage | 1939 | 1946 | Quintals | Percentage |
| (*a*) IN OPERATION | | | | | | | | |
| Less than 20 quintals . . . | 55.514 | 68,118 | + 12,604 | + 22 | 480,751 | 609,385 | + 128,634 | + 27 |
| 20 to 40 quintals . . . | 20,897 | 25,014 | + 4,117 | + 19 | 663,897 | 763,697 | + 99,800 | + 15 |
| Over 40 quintals . . . . | 13.182 | 12,514 | — 668 | — 5 | 775,102 | 743,800 | — 31,302 | — 4 |
| (*b*) HELD BY A.R.A.R. (Azienda Rilievo Alienazioni Residuati) (1) | | | | | | | | |
| ITALIAN MAKE — tonnage | — | 10,000 | + 10,000 | — | — | 200,200 | + 200,200 | — |
| ITALIAN MAKE — breakdown not available | — | 13,020 | + 13,020 | — | — | 160,406 | + 160,406 | — |
| TOTAL | 89,593 | 128,666 | + 39,073 | + 44 | 1,919,750 | 2,477,488 | + 557,738 | + 29 |

(1) Italian government agency for reception and disposal of allied military surplus.
(2) One quintal is one-tenth of metric ton.

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55. Table 14 shows by tonnage capacity groups, the comparative truck figures for 1939 and 1945. As is evident both total number and total carrying capacity are considerably higher at present than in 1939. More specifically, the census of light and medium trucks shows a substantial increase both in number and capacity while heavy truck availability has declined. Gains in light trucks are due mainly to the transformation of a large number of passenger cars into load-carrying vehicles.

56. Low maintenance and efficiency levels of the operating units constituting the vehicle census modify the generally favourable impression, since high operating costs do, to some extent, limit the utilization. This, however, is a temporary situation since more efficient vehicles are now being offered for sale than the market will absorb.

57. In contrast, passenger cars and buses on public services have undergone a heavy reduction in comparison with pre-war figures and are in very short supply. The general level of operating efficiency in these categories is extremely low. New units and replacements required, both in complete vehicles and part assemblies, will provide an expanding market for several years.

58. POL supply provided by UNRRA imports is, on the whole, in reasonable accord with transport requirements for essential commodity hauling. The ostensible deficiency in allocations to private cars and bus routes must to a great extent be made up by illegal diversions of fuel from other consignees, the net result being passenger circulation which appears to be in excess of essential needs.

*Load-Carrying Vehicles.*

59. The situation as regards load carrying vehicles is as follows:

| | No. |
|---|---|
| In circulation 1939 . . . . . | 89,593 |
| In circulation 1946 . . . . . | 105,646 |
| Available but not in circulation - 1946 . . | 23,020 |
| Total load carrying potential - 1946 . . . | 128,666 |

60. Table 15 shows the number and carrying capacity of load carriers as at 31 March 1946. Figures include

TABLE 15

Road vehicles: Number and carrying capacity 31 March 1946

| | Number | Carrying Capacity Quintals |
|---|---|---|
| (*a*) IN OPERATION | | |
| Gasoline trucks . . . . . | 72,598 | 1,024,565 |
| Diesel trucks . . . . . | 17,037 | 750,680 |
| Other systems (Methane, producer gas) . . . . . | 16,011 | 341,637 |
| TOTAL | 105,646 | 2,116,882 |
| (*b*) HELD BY ARAR | | |
| Italian trucks. . . . . | 10,000 | 200,200 |
| Allied trucks . . . . . | 13,020 | 160,406 |
| GRAND TOTAL | 128,666 | 2,477,488 |

*Passenger Cars and Buses.*

61. The passenger car position pre-war and in 1946 is as follows:

| | |
|---|---|
| Passenger cars 1939 . . . . . | 287,962 |
| Passenger cars 1946 . . . . . | 97,709 |

62. 53,195 permanent circulation permits (of three months' validity) were issued in the first quarter of 1946 to private owners. The balance of passenger cars is covered by (a) official Government permits, (b) temporary permits (normally of 10 day's validity or less), and (c) cars that are in illegal circulation. As a result of inadequate road controls a large number fall into category (c).

63. The number of buses operating on regular passenger lines was 6,928 in 1939 and 3,830 in 1946. Of the latter 1,803 were run on gasoline, 1,727 on diesel oil and 300 on methane or producer gas.

*Motor-Cycle Trucks.*

64. There were approximately the same number of motor cycle trucks in 1946 as pre-war. The numbers were: 1939, 12,960: 1946, 12,237.

*Trailers.*

65. The number of trailers has increased from 7,418 in 1939 to 9,067 in 1946.

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heavy truck availability has declined. Gains in light trucks are due mainly to the transformation of a large number of passenger cars into load-carrying vehicles.

56. Low maintenance and efficiency levels of the operating units constituting the vehicle census modify the generally favourable impression, since high operating costs do, to some extent, limit the utilization. This, however, is a temporary situation since more efficient vehicles are now being offered for sale than the market will absorb.

57. In contrast, passenger cars and buses on public services have undergone a heavy reduction in comparison with pre-war figures and are in very short supply. The general level of operating efficiency in these categories is extremely low. New units and replacements required, both in complete vehicles and part assemblies, will provide an expanding market for several years.

58. POL supply provided by UNRRA imports is, on the whole, in reasonable accord with transport requirements for essential commodity hauling. The ostensible deficiency in allocations to private cars and bus routes must to a great extent be made up by illegal diversions of fuel from other consignees, the net result being passenger circulation which appears to be in excess of essential needs.

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|---|---|
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| In circulation 1946 . . . . . | 105,646 |
| Available but not in circulation - 1946 . . | 23,020 |
| Total load carrying potential - 1946 . . . | 128,666 |

60. Table 15 shows the number and carrying capacity of load carriers as at 31 March 1946. Figures include vehicles owned by private trucking firms, as registered by Ente Nazionale Autotrasporti Cose (E.N.A.C.), those operated by Government Agencies such as the Italian State Railways and the Ministry of Transport, and vehicles held by the Italian Government originating from Allied military surplus and captured enemy material.

| | | |
|---|---|---|
| (*a*) IN OPERATION | | |
| Gasoline trucks . . . . . | 72,598 | 1,024,565 |
| Diesel trucks . . . . . | 17,037 | 750,680 |
| Other systems (Methane, producer gas) . . . . . | 16,011 | 341,637 |
| TOTAL | 105,646 | 2,116,882 |
| (*b*) HELD BY ARAR | | |
| Italian trucks . . . . . | 10,000 | 200,200 |
| Allied trucks . . . . . | 13,020 | 160,406 |
| GRAND TOTAL | 128,666 | 2,477,488 |

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*Motor-Cycle Trucks.*

64. There were approximately the same number of motor cycle trucks in 1946 as pre-war. The numbers were: 1939, 12,960: 1946, 12,237.

*Trailers.*

65. The number of trailers has increased from 7,418 in 1939 to 9,067 in 1946.

*Motor Cycles and Bicycles.*

66. There is a sharp fall in the number of motor cycles on the road as compared with pre-war. The figures are: 1939, 149,490; 1946, 40,648. (The number of bicycles in use in Italy in 1938 was 5 million.)

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*Prime Movers.*

67. The number of prime movers in 1946 is 1,100. No corresponding figures are available for 1939.

*Tires.*

68. The overall tire situation in Italy is bad, particularly in large truck sizes such as 38×9, 42×9, 10.50×24 and small passenger car sizes. Shortages in these groups are especially critical, because these are not standard American and British sizes and are on limited production in the U.S. and U.K. Sizes within the range of tires which were standard equipment in American and British Armies are available in sufficient numbers in Italy, although distribution and allocation difficulties have prevented a satisfactory spread of stocks on hand.

69. Tube deficiency is much more critical than tire deficiency, since the shortages extend throughout the entire size range. The solution to the tire and tube problems is the importation of sufficient quantities of raw materials to enable Italian manufacturers to produce the complete range of sizes required by the vehicles in operation in Italy.

70. *Import of Tires.* The UNRRA program for 1946 includes the provision of raw materials for manufacture of tires in Italian factories but does not call for importation of the completed product.

71. A direct order from the Italian Government for 26,000 motor-truck tires, commissioned in the United States, has been delivered in part (11,500). These are being distributed by the Italian Government through the Ministries of Industry and Commerce and of Transport.

72. *Military Surplus of Tires.* Surpluses from Allied military sources are being transferred to the Italian Government through its receiving agency, A.R.A.R. (Azienda Rilievo Alienazioni Residuati). A.R.A.R. had in mid-1946 disposed of 37,000 tires of all sizes and expects to take over about 316,000 more. Sizes expected are mainly 10.50×20, 10.50×16, 7.50×20 and 6.00×16. These tires will all have to be inspected, categorized and in many cases repaired prior to release for distribution.

73. *Indigenous Production.* Production by local tire manufacturers is dependent upon the reception of raw materials (1). The UNRRA program of imports for 1946 covers all materials required to utilize existing plant

*Spare Parts.*

74. Spare parts stocks for trucks and cars of Italian make are improving both in availability and pricing. No serious difficulties are encountered in obtaining spares, although prices are still at such a high level that consumption is below normal.

75. Spare parts for vehicles of Allied origin, which constitute approximately 10 % of the country's operational lift, have been in short supply. However, the Italian Government has received from American and British surplus disposal a stock (estimated worth $8,000,000) which is being classified for distribution. It is anticipated that these spares will on release meet practically all general maintenance and repair requirements.

*Italian Vehicle Production.*

76. Fulfilment of the manufacturing program of Italian factories is dependent upon imported supplies of raw materials and coal which are included in the UNRRA program for 1946. Planned production for the year 1946 is:

| | No. |
|---|---|
| Heavy trucks (over 6 tons) | 16,000 |
| Medium trucks (3 to 6 tons) | 18,000 |
| Passenger cars | 19,000 |
| Delivery vans | 16,000 |
| Heavy trailers | 15,000 |
| Medium trailers | 9,000 |

77. To date, production of Italian motor vehicles has been well below schedule. In April 1946, 823 trucks of all sizes were produced.

*Fuel.*

78. Distribution of fuel to load carrying vehicles is effected through the Italian Government truck control agency (E.N.A.C.), which allocates fuel requirements for the haulage of first priority essential commodities and, for lower priority operations, issues a monthly quota to all trucks, in proportion to carrying capacity. Localized and temporary POL shortages have occurred but POL supply has not, in general, been an efficient limiting factor in essential road movement.

79. Private cars holding circulation permits receive

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ticularly in large truck sizes such as 38 × 9, 42 × 9, 10.50 × 24 and small passenger car sizes. Shortages in these groups are especially critical, because these are not standard American and British sizes and are on limited production in the U.S. and U.K. Sizes within the range of tires which were standard equipment in American and British Armies are available in sufficient numbers in Italy, although distribution and allocation difficulties have prevented a satisfactory spread of stocks on hand.

69. Tube deficiency is much more critical than tire deficiency, since the shortages extend throughout the entire size range. The solution to the tire and tube problems is the importation of sufficient quantities of raw materials to enable Italian manufacturers to produce the complete range of sizes required by the vehicles in operation in Italy.

70. *Import of Tires.* The UNRRA program for 1946 includes the provision of raw materials for manufacture of tires in Italian factories but does not call for importation of the completed product.

71. A direct order from the Italian Government for 26,000 motor-truck tires, commissioned in the United States, has been delivered in part (11,500). These are being distributed by the Italian Government through the Ministries of Industry and Commerce and of Transport.

72. *Military Surplus of Tires.* Surpluses from Allied military sources are being transferred to the Italian Government through its receiving agency, A.R.A.R. (Azienda Rilievo Alienazioni Residuati). A.R.A.R. had in mid-1946 disposed of 37,000 tires of all sizes and expects to take over about 316,000 more. Sizes expected are mainly 10.50 × 20, 10.50 × 16, 7.50 × 20 and 6.00 × 16. These tires will all have to be inspected, categorized and in many cases repaired prior to release for distribution.

73. *Indigenous Production.* Production by local tire manufacturers is dependent upon the reception of raw materials (1). The UNRRA program of imports for 1946 covers all materials required to utilize existing plant capacity for an expected production of:—

600,000 tires and tubes for trucks and buses,
380,000 ,, ,, ,, ,, passenger cars,
30,000 ,, ,, ,, ,, motor-cycles.

(1) See Industry Part 2 - Rubber para 351 - Supplement to Economic Notes Vol. I, No. 31, 16 August 1946.

that consumption is below normal.

75. Spare parts for vehicles of Allied origin, which constitute approximately 10 % of the country's operational lift, have been in short supply. However, the Italian Government has received from American and British surplus disposal a stock (estimated worth $8,000,000) which is being classified for distribution. It is anticipated that these spares will on release meet practically all general maintenance and repair requirements.

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79. Private cars holding circulation permits receive fuel through Provincial Fuel Offices and the average allocation is 40 litres each car per month. Bus lines obtain fuel from the Ministry of Transport in proportion to operational mileage and Government truck pools and the Italian State Railways draw monthly bulk allocations.

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80. Table 16 shows the fuel issues from February to May 1946:

TABLE 16

Gasoline and Diesel Oil Motor Issues in quintals: 1946

| 1946 | Passenger Cars | Buses | Civilian Trucks | Italian State Railways | Total |
|---|---|---|---|---|---|
| | | | GASOLINE | | |
| February | 26,354 | 12,118 | 90,867 | 11,067 | 140,406 |
| March | 33,600 | 13,398 | 98,706 | 14,778 | 160,482 |
| April | 36,786 | 13,512 | 97,895 | 14,192 | 162,385 |
| May | 36,800 | 13,512 | 97,895 | 14,192 | 162,399 |
| | | | | Total. . . | 625,672 |
| | | | DIESEL OIL | | |
| February | 2,724 | 13,368 | 69,626 | 10,781 | 96,499 |
| March | 3,585 | 16,951 | 73,378 | 11,805 | 105,719 |
| April | 3,755 | 18,000 | 73,166 | 11,505 | 106,426 |
| May | 3,000 | 18,000 | 73,166 | 11,505 | 105,671 |
| | | | | Total. . . | 414,315 |

*Black Market.*

81. Black market transactions in fuel and tires are particularly active. Large quantities of both items are available and originate with pilferage of military stores, depots, captured enemy materials dumps and illegal diversions from authorised distribution channels.

82. The majority of the purchases of black market fuel and tires is made by individuals and firms whose operations have no recognized legal status. These consist of three main groups:

(a) Truckers engaged in black market activities involving road movement of essential rationed commodities, such as olive oil, the movement and release of which are entirely under Government control.

(b) Truckers transporting luxury or speculative goods for which fuel is not legally allocated.

(c) Private motorists using black market fuel and tires for pleasure motoring, sport and unauthorised passenger hauling.

83. UNRRA has emphasized that the Italian Government should effectively prohibit the circulation of out-

unless the permit plan was replaced by a more efficient system for controlling vehicle movement and POL allocation.

*Condition of Highway System.*

*Road Surfaces.*

85. On the whole road surfaces are in fairly good condition although military traffic and delayed maintenance have aggravated normal deterioration.

86. South of the Appenines a total of 105,550 Kms. require maintenance repairs, as follows:—

| | |
|---|---|
| State roads . . . . . | 6,230 Kms. |
| Provincial roads . . . . . | 23,660 .. |
| Communal roads . . . . . | 75,660 .. |

No consolidated figures are available for Northern Italy.

*Road Bridges.*

87. Many bridges destroyed during the war have not yet been replaced and traffic is often subject to diversion. The following is an estimate of road bridges destroyed during the war:

| | In use 1939 | Destroyed |
|---|---|---|
| Steel bridges . . . . . | 805 | 630 |
| Bridges other than steel . . | 22,670 | 12,930 |

The above figures include all bridges, even those of very small span; in Southern Italy approximately 70 % are of a span less than 10 feet. This percentage is thought to apply to those in the North also.

*Value of War Damage to Roads and Bridges.*

88. The Italian Government estimates the value of war damage to roads and road bridges at 130,300 million lire.

*Reconstruction Plan for Highways and Bridges.*

89. The Italian Government reconstruction plan for 1946 is as follows:—

| | | |
|---|---|---|
| (a) | Repair of highways: | |
| | State roads . . . . . | about 3,000 Kms. |
| | Provincial roads . . . . . | .. 1,000 .. |
| | Communal roads . . . . . | .. 3,900 .. |
| (b) | Repair of bridges on: | No. |
| | State roads . . . . . | 600 |

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| 1946 | Passenger Cars | Buses | Civilian Trucks | Italian State Railways | Total |
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(b) Truckers transporting luxury or speculative goods for which fuel is not legally allocated.

(c) Private motorists using black market fuel and tires for pleasure motoring, sport and unauthorised passenger hauling.

83. UNRRA has emphasized that the Italian Government should effectively prohibit the circulation of outlaw trucks and non-essential private cars in order to reserve all supplies of fuel and rubber for the maintenance of essential services.

84. Recent agitation for the abolition of circulation permits has been opposed strongly by the UNRRA Italian Mission, which refused to agree to the proposal

85. On the whole road surfaces are in fairly good condition although military traffic and delayed maintenance have aggravated normal deterioration.

86. South of the Appenines a total of 105,350 Kms. require maintenance repairs, as follows:—

| | |
|---|---|
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| | Provincial roads . . . . . | .. 1,000 | .. |
| | Communal roads . . . . . | .. 3,900 | .. |
| (b) | Repair of bridges on: | | No. |
| | State roads . . . . . | | 600 |
| | Provincial roads . . . . . | | 350 |
| | Communal roads . . . . . | | 720 |

90. UNRRA has programmed for Italy, to implement highway rehabilitation, 100,000 tons of asphalt at an estimated cost of $3,500,000, excluding freight, for road repair and maintenance.

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## *TRANSPORTATION - COASTAL SHIPPING*

### *Traffic.*

91. Before the war, nearly a million tons monthly of freight or 12 % of all Italian freight traffic was carried in coasters and motor schooners plying between Italian ports. (1) The present capacity of these vessels for coastwise shipping is only about 200,000 tons monthly. War damage and lack of maintenance account for only a part of the reduction. Actually the registered tonnage of the existing coastal fleet is about 80 % of pre-war. But 25 % of the vessels is still in Allied hands, 50 % is employed in Italian foreign trade, mainly within the Mediterranean area, and in returning to their homes released Italian prisoners of war. Accordingly only 25 % of the present fleet or 20 % of the pre-war registered tonnage, is available for coastwise traffic.

### *War Damage.*

92. Sinkings, other war damage, and confiscation in foreign ports resulted in the loss of 560 ships. More than 100 of these have been salvaged. Many of these vessels have already returned to service and all are expected to be in service by the end of 1947.

### *Restoration of Pre-War Coastal Operations.*

93. Timber, steel plates, frames, girders, beams and other essentials for shipbuilding and ship repair, are all in scarce supply and are definite deterrents to the restoration of pre-war coastal shipping operations. It is planned to use part of the UNRRA imported semi-finished steel for these purposes, but the major part of the importation of raw and semi-finished materials for the rehabilitation of the coastal fleet must be financed by the Italians themselves. Considerable quantities of tugs and barges have been or will be purchased by the Italian Government from military surplus, but these will be used to expedite port-operations rather than directly to add to the coastal fleet.

94. Complete withdrawal of the Allied military from Italy and conclusion of the peace treaty will result in doubling the present effective coastal fleet. An equivalent addition will result when repatriation of Italian prisoners of war from Africa is completed. But coastal vessels will continue for sometime, in trade between Mediterranean countries, to substitute partially for Italy's merchant fleet almost wholly destroyed or lost during the war.

### *Freight Rates.*

95. Maximum freight rates have been established by the Ships Management Committee (COGENA - Comitato Gestione Navi). At present they are some ten times as great as those prevailing before the war. Despite the reduction of the coastal fleet, however, rates lower than those set by COGENA are frequently charged in order to keep vessels in full time operation. Very high insurance rates add still further to the difference between pre-war and present costs to shippers in the coastal trade.

### *Organization.*

96. Schooners and coasters are privately operated. Those over 300 tons are, however, controlled as to cargo hauled and rates charged by COGENA. Shippers desiring to employ such vessels are required to submit their bids to the relevant Ministries (e.g. Ministry of Industry and Commerce for coal and industrial raw materials and products, and the High Commissioner for Food for foodstuffs). The Ministries then submit those bids rated according to their priority preferences to COGENA which allocates tonnage.

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## *TRANSPORTATION - RIVER AND CANAL*

### *Traffic.*

97. Before the war approximately 3 million tons an-

(1) The following is the order of importance of the larger Italian ports according to the quantity of goods discharged in 1939:

| Port | Commodities | Port | Commodities |
|---|---|---|---|
| Genoa | Coal, coke, grain, metals | Piombino | Iron ore, coal |
| Venice | Coal, coke, POL. | Fiume | POL, metals, phosphates |
| Savona | Coal, coke, POL. | Palermo | Coal, coke. |
| Trieste | POL, coal, coke. | Bari | POL, Coal, coke; |

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all coasters and motor schooners plying between Italian ports. (1) The present capacity of these vessels for coastwise shipping is only about 200,000 tons monthly. War damage and lack of maintenance account for only a part of the reduction. Actually the registered tonnage of the existing coastal fleet is about 80 % of pre-war. But 25 % of the vessels is still in Allied hands. 50 % is employed in Italian foreign trade, mainly within the Mediterranean area, and in returning to their homes released Italian prisoners of war. Accordingly only 25 % of the present fleet or 20 % of the pre-war registered tonnage, is available for coastwise traffic.

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## TRANSPORTATION - RIVER AND CANAL

*Traffic.*

97. Before the war approximately 5 million tons annually of freight, or roughly five % of the total, was carried on the lakes, canals and navigable rivers of Italy. Statistics on traffic presently handled on these 2,000 kilometres of inland waterways are unreliable, but indicate that only one % of Italy's reduced traffic is thus carried.

(1) The following is the order of importance of the larger Italian ports according to the quantity of goods discharged in 1938:

| Port | Commodities | Port | Commodities |
|---|---|---|---|
| Genoa | Coal, coke, grain, metals | Piombino | Iron ore, coal |
| Venice | Coal, coke, POL. | Fiume | POL, metals, phospates |
| Savona | Coal, coke, POL. | Palermo | Coal, coke. |
| Trieste | POL, coal, coke. | Bari | POL. Coal, coke, |
| Naples | Coal, coke, POL. | Ancona | Coal, coke. |
| Leghorn | Coal, coke, POL | Catania | " " |
| Civita-vecchia | Coal, coke. | Messina | " " |
| Bagnoli | Iron ore, coal, | Cagliari | " " , POL. |
| Spezia | POL., coal, coke. | | |

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*War Damage and Present Status.*

98. War damage to the inland waterways was extensive. The bulk of the locks and bridges were destroyed. The presence of wrecks has further impeded transportation. Failure to carry out dredging on the upper reaches of the Po River has rendered it impassable for large boats. Upwards of 60 % of the prewar tonnage of tugs and barges were sunk. Shore installations were heavily damaged and equipment destroyed or stolen.

99. Rehabilitation of the inland waterway system has been carried out vigorously, mainly by private firms. Locks have been repaired at a rapid rate, the bulk of the wrecks have been raised. Within a year, the navigability of the waterways should be nearly on a pre-war basis. The bulk of the sunk barges and tugs have been raised and a large percentage found serviceable. The prospects for early completion of the repair of barges and for building new ones are good. But the shortage of tugs will remain acute for many months.

*Organization.*

100. Before the war, ownership and operation of inland waterway vessels were normally separate. Operators paid the owners 70 % of the freight charges and assumed all expenses connected with operation. In order to enforce the priority system established by the Allied Military Government during the war, the National Association for Inland Navigable Waterways (A.N.N.I. - Associazione Nazionale Navigazione Interna) was established. This agency has been continued by the Italian Government and controls the allocation and movement of all barges of more than 50 tons.

## PART TWO - COMMUNICATIONS

*General.*

101. This report summarizes the pre-war situation of communications in Italy with reference, so far as possible, to present conditions; further information is also given on the rehabilitation program prepared by the Italian Post Office Department for the period 1946 to 1950.

102. "Communications" includes the following sections: (A) Mail Service, (B) Telegraph Service, (C) Telephone Service, (D) Cable Service (Submarine cables), (E) Wireless Service. Section (F) is concerned with Buildings which represent a very considerable part of the Communications investment and which were severely damaged during the war.

103. The programmed appropriations as specified in the paragraphs headed "Rehabilitation Program" of each Section concern the modernization of existing plants, in addition to appropriations for repair of war damage.

The five year Rehabilitation Program is estimated to cost 38.850 million lire (1) of which the Rehabilitation of State undertakings would be 6.775 million lire.

The total war damage to communications is estimated by the Italian Government at 8.800 million lire to State property and 6.200 million lire to privately owned.

### (A) *MAIL SERVICE*

104. The mail service in the pre-war period operated satisfactorily. There was a need for more modern equipment and some deficiencies existed in the organisation. The [illegible] level of activity from 1930-31, the

*War Damage.*

105. The severe damage to Post Administration buildings (see para. 138) following war action and pilferage by Germans considerably reduced the efficiency of the mail service. The amount of war damage may be estimated at about 660 million lire (in 1946 value).

*Rehabilitation Program.*

106. An appropriation of 500 million lire was programmed in the budgets 1946-50 for the modernization of equipment.

### (B) *TELEGRAPH SERVICE*

107. The efficiency of the telegraph service in the pre-war period was unsatisfactory owing to the obsolete type of most of the apparatus and of the transmission systems so that the traffic could not reach the speed attained by modern equipment. Consequently traffic was diverted to more progressive systems of communication, such as the telephone. The average traffic in pre-war years was about 30-33,000,000 telegrams a year.

108. The length of the telegraph aerial line was about 31,000 Kms. in 1939-40 (corresponding to a total length of wire of 343,000 Kms.) representing only a slight increase in comparison with the period 1929-30.

109. Substantial progress was attained with the adop-

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### (A) *MAIL SERVICE*

104. The mail service in the pre-war period operated satisfactorily. There was a need for more modern equipment and some deficiencies existed in the organisation. However, after a decline of activity from 1930-31, the mail service made steady progress and dealt, through some 11,500 post offices, with a peak of 2,850 million letters in 1938-39 and a movement of 15,000,000 postal parcels during the same period.

(1) 1945 value.

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108. The length of the telegraph aerial line was about 31,000 Kms. in 1939-40 (corresponding to a total length of wire of 343,000 Kms.) representing only a slight increase in comparison with the period 1929-30.

109. Substantial progress was attained with the adoption on the National Cable of harmonic telegraphy, which allows several contemporaneous transmissions on the same circuit and therefore considerably speeds up the traffic. As yet this system has but limited use in Italy (58 circuits out of 2,600 circuits, the majority of which are of obsolete type).

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110. A separate system, the "Wheatstone System," connected Rome with the main centres of Italy for the contemporaneous transmission of State and newspaper agencies' telegrams: the total length of the relative circuits is about 8,500 Kms. in brass wire, and 1,500 Kms. in iron wire. The "Wheatstone System" was equipped with 200 "Wheatstone" apparatuses.

111 The main system was equipped in 1940 with 19,381 apparatuses (in comparison with 12,064 in 1920), of which only 1,381 were of high speed type, [illegible] them being used for international transmission. In the 1940 figures are included 180 teleprinting machines which however were not used for automatic transmission by which traffic efficiency can be increased.

112. The number of telegraph offices of first and second grade was 147 in 1939: that of the branch offices about 10,000.

*War Damage.*

113. The percentage of aerial telegraph lines damaged or destroyed is about 35 % valued at 4,500 million lire. The National Cable was not severely damaged. By adding the damage to the apparatus and the pilferage of materials in warehouses, the total war damage amounts to about 4,900 million lire, roughly 40 % of the value of the Italian telegraphic system.

*Rehabilitation Program.*

114. Notwithstanding the necessity for immediate strict economy, a substantial modernization of the whole equipment is absolutely necessary in order to meet traffic requirements with efficient and profitable operation.

115. The plan of modernization should take into consideration several aspects of the service, from the diffusion of high frequency and harmonic transmission systems to a complete re-planning of the line system (necessitated by the high degree of damage) to a large use of telephone lines for telegraphy. The plan should range from (a) the adoption of the most modern apparatus to (b) the adoption of telegraph switchboards which allow an increased use of the apparatus, and (c) the introduction of the "facsimile" (picture transmission) and the transmission of telegrams direct to subscriber by telephone. A wide adoption of the microwaves radio linkage is visualized and may represent a revolution both in the telegraph and telephone fields.

116. The rehabilitation plan would make use of the telegraphic system of semi-permanent type installed by

## (C) TELEPHONE SYSTEM

*(See Map-Table 19)*

118. The Italian telephone system includes:—

(a) The Italian State system for international long distance calls and long distance calls between the capitals of regions or provinces.

(b) The Concession system for local calls and long distance calls within the region that each concessioned concern supervises.

119. The number of telephones installed pre-war in Italy compared with some other countries is shown in Table 17.

TABLE 17

Numbers of Telephones in Italy as compared with some other countries: 1937

| | Thousands of telephones installed | Population in thousands | No. of Persons per telephone |
|---|---|---|---|
| Italy | 611.3 | 42,919 | 70 |
| France | 1,552.6 | 41,907 | 27 |
| Germany | 3,623.7 | 79,800 | 22 |
| United Kingdom | 3,018.7 (1) | 47,486 | 16 |
| United States of America | 19,458.0 | 122,775 | 6 |

(1) Installed by the Postal Service.

(a) *Italian State System.*

120. The Italian State telephone system is supervised by A.S.S.T. (Azienda di Stato per i Servizi Telefonici). The National Cable runs for 3,514 Kms. including the submarine section. The cable was equipped with 44 amplifying stations, 3,700 amplifiers and 90,435 Pupin Units. The total length of circuits of the National Cable line is about 241,773 Kms. (86.25 %). The aerial line is about 30,000 Km. and the high frequency line about 8,500 Kms. long.

121. The total system includes 1,021 circuits of which 300, 190, and 31 respectively are on the cable, aerial and high frequency systems. This includes the national section of the International telephonic system with 122 circuits of a total length of circuits of 25,000 Kms.

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equipped with 200 "Wheatstone" apparatuses.

111. The main system was equipped in 1940 with 19.381 apparatuses (in comparison with 12.064 in 1920), of which only 1.381 were of high speed type, [illegible] them being used for international transmission. In the 1940 figures are included 180 teleprinting machines which however were not used for automatic transmission by which traffic efficiency can be increased.

112. The number of telegraph offices of first and second grade was 147 in 1939: that of the branch offices about 10,000.

*War Damage.*

113. The percentage of aerial telegraph lines damaged or destroyed is about 35 % valued at 4.500 million lire. The National Cable was not severely damaged. By adding the damage to the apparatus and the pilferage of materials in warehouses, the total war damage amounts to about 4.900 million lire, roughly 40 % of the value of the Italian telegraphic system.

*Rehabilitation Program.*

114. Notwithstanding the necessity for immediate strict economy, a substantial modernization of the whole equipment is absolutely necessary in order to meet traffic requirements with efficient and profitable operation.

115. The plan of modernization should take into consideration several aspects of the service, from the diffusion of high frequency and harmonic transmission systems to a complete re-planning of the line system (necessitated by the high degree of damage) to a large use of telephone lines for telegraphy. The plan should range from (a) the adoption of the most modern apparatus to (b) the adoption of telegraph switchboards which allow an increased use of the apparatus, and (c) the introduction of the "facsimile" (picture transmission) and the transmission of telegrams direct to subscriber by telephone. A wide adoption of the microwaves radio linkage is visualized and may represent a revolution both in the telegraph and telephone fields.

116. The rehabilitation plan would make use of the telegraphic system of semi-permanent type installed by the Allies.

117. Such a rehabilitation plan would require an appropriation of about 2.500 million lire (1) in the budgets 1946-50.

(1) 1945 value.

distance calls and long distance calls between the capitals of regions or provinces.

(b) The Concession system for local calls and long distance calls within the region that each concessioned concern supervises.

119. The number of telephones installed pre-war in Italy compared with some other countries is shown in Table 17.

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121. The total system includes 1.021 circuits of which 300, 190, and 31 respectively are on the cable, aerial and high frequency systems. This includes the national section of the International telephonic system with 122 circuits of a total length of circuits of 25,000 Kms.

122. The National Cable is also used (see paras. 103 to 113) for super-combined and harmonic telegraphy by the various State Departments and for the transmission of high quality music by RAI (Radio Audizioni Italia) (see para. 135).

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123. The quantity of long distance traffic ranged from 4,500,000 units (conversation of three minutes) in 1926 to about 10,400,000 unities in 1939-40, of which about 1,342,000 were international long distance calls. (The greatly increased use of the service shows that the system has proved efficient.)

(b) *Concessioned Concerns System.*

124. The following are the concessioned concerns which are checked by the A.S.S.T.:—

— STIPEL (Società Telefonica Internazionale Piemontese e Lombarda) for Piedmont and Lombardy.

— TELVE (Società Telefonica delle Venezie) for Venetia.

— TIMO (Società Telefonica Italiana Medio Orientale) for Emilia, Marche, Umbria, Abruzzi and Molise.

— TETI (Società Telefonica Tirrena) for Liguria, Tuscany, Lazio and Sardinia.

— SET (Società Esercizi Telefonici) for Campania, Puglie, Lucania, Calabria and Sicily.

125. The franchise of local and regional long distance services, decided in 1926, made possible a very rapid increase and modernization of the existing equipment. That is confirmed by the following figures showing the condition of the equipment in 1940 in comparison with 1926:

TABLE 18

Number of telephone switchboards in Italy and length of circuits: 1926 and 1940

| | | 1926 | 1940 |
|---|---|---|---|
| *Automatic switchboards.* . . | No. | 15 | 857 |
| Operation capacity in number of switchboards . . . | » | 55.860 | 555.877 |
| Numbers connected . . | » | 41.517 | 430.494 |
| *Non-automatic switchboards* . | » | 2.217 | 4.185 |
| Operation capacity in number of switchboards . . . | » | 123.108 | 107.511 |
| Numbers connected . . . | » | 92.257 | 60.338 |
| Length of local circuits: . | Km./pair (1) | 1.029.704 | 261.172 |
| » » long distance cable circuits . . . | » » | 96.188 | — |
| Length of long distance aerial | | | |

126. The long distance traffic by the Concessioned Concerns has made steady and rapid progress from 5.000,000 unities in 1926 to 33,000,000 in 1940.

*War Damage.*

127. War damage to the State telephone system may be estimated as follows:—

| | | Million lire (1946) |
|---|---|---|
| Cable system . . . . . | 20 % | 5.840 |
| Amplifying stations . . . . | 53 % | |
| Switchboards for long distance calls | 57 % | 180 |
| Aerial line system. . . . . | 33 % | 560 |
| High frequency system . . . | 35 % | |
| | | 6,580 |

128. The total war damage to the concessioned concerns system amounts to about 8,700 million lire (1946).

*Rehabilitation Program.*

129. The rehabilitation plan takes full account of the existing efficiency of equipment and will be limited to the maximum introduction of modern improvements, particularly in the rehabilitation of amplifying stations (most of which are damaged) and to a wide introduction of microwaves radio linkage. Technical details will be arrived at after a careful study of the experience of the last five years (see paras. 103 to 113).

130. For the State system the program provides for an appropriation of 2,000 million lire in the budget for 1946-50. For the extension of the modern concessioned concerns system about 30,000 million lire will also be necessary (lire in 1946 value).

## (D) *CABLE SERVICE*

### (Submarine Cables)

131. The Italian cable system includes:—

(a) The State cable system of about 200 cables in 1939 with a total length of 7,500 Kms.

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(b) *Concessioned Concerns System.*

124. The following are the concessioned concerns which are checked by the A.S.S.T.:—

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— TELVE (Società Telefonica delle Venezie) for Venetia.

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| Operation capacity in number of switchboards . . . | » | 55.860 | 555,877 |
| Numbers connected . . | » | 41.517 | 430.194 |
| *Non-automatic switchboards* . | » | 2,217 | 4,185 |
| Operation capacity in number of switchboards . . . | » | 123.108 | 107,511 |
| Numbers connected . . . | » | 92.257 | 60,338 |
| Length of local circuits: . | Km./pair (1) | 1,029.704 | 261.172 |
| » » long distance cable circuits . . . | » » | 96.188 | — |
| Length of long distance aerial line circuits . . . . | » » | 109.807 | 53.077 |
| Length of the long distance line | Km. | 23.814 | 16.592 |

(1) Km/pair means the length of the sections of the line multiplied by the number of pairs of conductors, which changes from section to section.

127. War damage to the State telephone system may be estimated as follows:—

| | | Million lire (1946) |
|---|---|---|
| Cable system . . . . . | 20 % | 5.840 |
| Amplifying stations . . . . | 53 % | |
| Switchboards for long distance calls | 57 % | 180 |
| Aerial line system. . . . . | 33 % | 560 |
| High frequency system . . . | 35 % | |
| | | 6,580 |

128. The total war damage to the concessioned concerns system amounts to about 8,700 million lire (1946).

*Rehabilitation Program.*

129. The rehabilitation plan takes full account of the existing efficiency of equipment and will be limited to the maximum introduction of modern improvements, particularly in the rehabilitation of amplifying stations (most of which are damaged) and to a wide introduction of microwaves radio linkage. Technical details will be arrived at after a careful study of the experience of the last five years (see paras. 103 to 113).

130. For the State system the program provides for an appropriation of 2,000 million lire in the budget for 1946-50. For the extension of the modern concessioned concerns system about 30,000 million lire will also be necessary (lire in 1946 value).

## (D) *CABLE SERVICE*

### (Submarine Cables)

131. The Italian cable system includes:—

(a) The State cable system of about 200 cables in 1939 with a total length of 7,500 Kms.

(b) The Concessioned Italcable system in 1940 of 15 cables with a total length of 22,000 Kms. connecting seven different countries of West and North Europe and North and South America. The traffic amounted in 1939 to 904,000 telegrams containing 16 million words.

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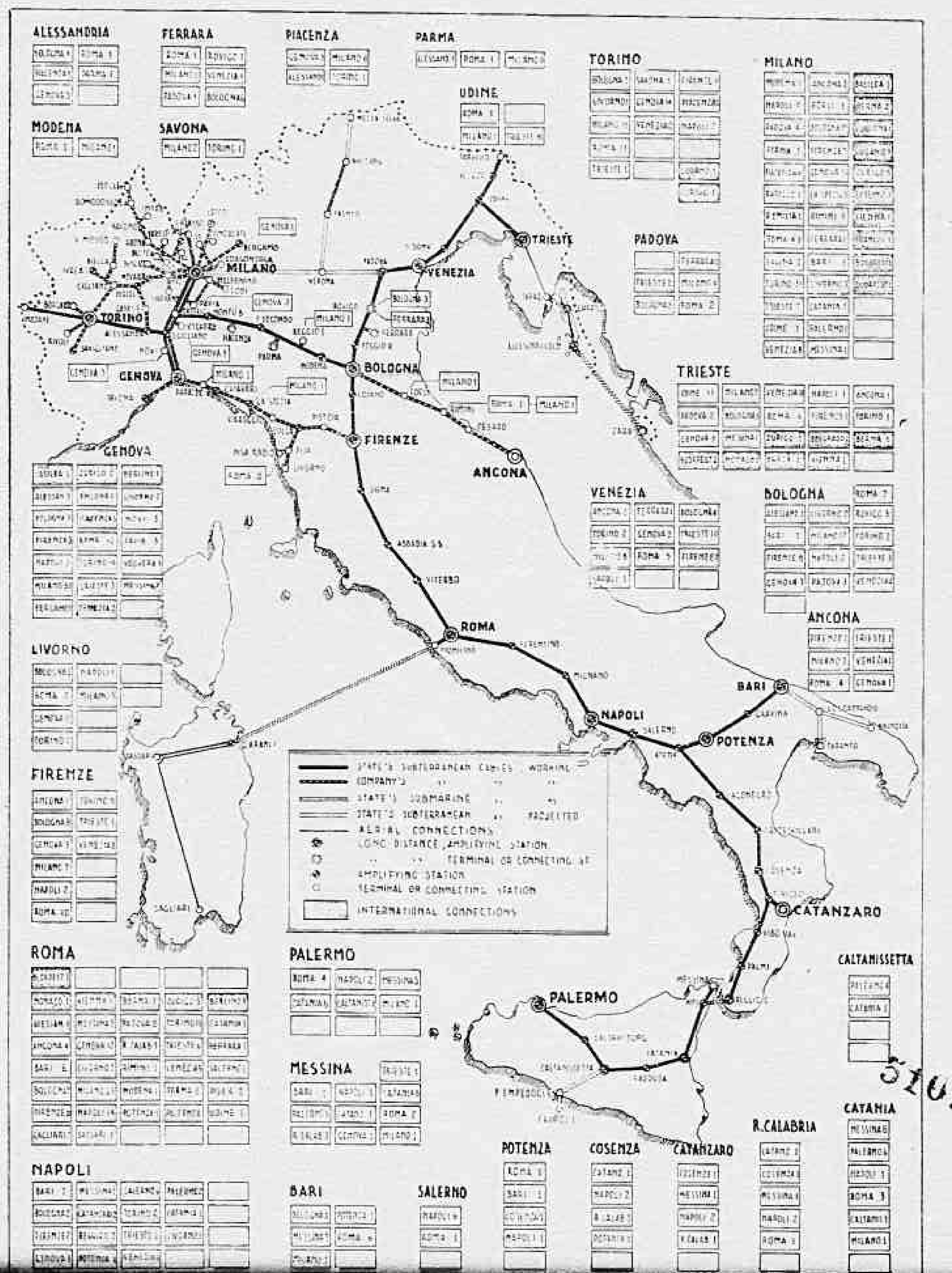
TABLE 18

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# TELEPHONE SYSTEM IN ITALY . 1940

( WORKING CONNECTIONS OF ITALY'S CABLE NETWORKS )

MODENA

SAVONA

TRIESTE

PADOVA

VENEZIA

MILANO

TORINO

BOLOGNA

GENOVA

FIRENZE

ANCONA

ROMA

BARI

NAPOLI

POTENZA

CATANZARO

PALERMO

CALTANISSETTA

CATANIA

MESSINA

R.CALABRIA

COSENZA

SALERNO

LIVORNO

STATE'S SUBTERRANEAN CABLES : WORKING

(COMPANY'S) " "

STATE'S SUBMARINE " "

STATE'S SUBTERRANEAN " PROJECTED

AERIAL CONNECTIONS

LONG DISTANCE, AMPLIFYING STATION

" " TERMINAL OR CONNECTING "

AMPLIFYING STATION

TERMINAL OR CONNECTING STATION

INTERNATIONAL CONNECTIONS

*War Damage.*

132. The State cable system is somewhat damaged due to lack of maintenance rather than war action. The system was severely affected owing to pilferage by the Germans of a considerable amount of various materials, valued at 100 million lire. The repair of the State cable system will require an expenditure of about 60 million lire.

The Italian Government has estimated at 760 million lire the total war damage to State and concessioned cable services.

*Rehabilitation Program.*

133. The main lines of a rehabilitation plan for the State system have not been determined. It is to be expected that the radio linkage with the ultra-short and micro-waves system (which has proved to be quite reliable at all hours of the day and in all seasons) will in some cases supplant the cable system (see paras. 103 to 125). It is important to underline that the last improvements in this field allow several communications on the same carrier.

134. The situation of the Concessioned Italcable system will depend on future international agreements and on the position of Italy following the peace treaty. No appropriation has been programmed for the improvement of the Italcable system. The rehabilitation of the State cable system forms part of the program covering the rehabilitation of the radio service (see para. 137).

## (E) *RADIO SERVICE*

135. The pre-war radio service included:—

(a) The State radio system for communication with ships and between fixed points. In 1940 the State radio system disposed of the following main centres:

(i) The transmitting centre of Coltano—equipped with 12 transmitters with a total output of 357 Kw.—linked by cable to the receiving centre of Nodica—for communication with ships and between fixed points. In the period 1936-37 the traffic with ships reached a peak of about 7 million words a year; in the period 1938-39 the traffic was reduced to about 5 million words; in 1940 the traffic between fixed points was

(iii) The transmitting centre of Fiumicino (Rome), equipped with a transmitter for an output of 5 Kw.—for communication with Sardinia and other smaller centers and generally used for communications with the islands.

(b) The concessioned ItaloRadio system (which in 1942 was absorbed by Italcable) was equipped with 13 transmitters with a total output of 710 Kw. In 1938 the traffic was about 18 million words during the year.

(c) The concessioned firm S.I.R.M. system—which supervised the equipment and operation of radio sets aboard ships.

(d) The Broadcasting system-conceded to E.I.A.R. (Ente Italiano Audizioni Radiofoniche), which after 1943 changed its name to R.A.I. (Rad o Audizioni Italia), was equipped in 1942 with 34 medium wave transmitters having a total output of 850 Kw. and 10 short wave transmitters with a total output of 432 Kw. The system was completed by a complex cable line for high quality transmission of music (see National Cable - para. 122). This line is designed to carry to the transmitting stations the three different and contemporaneous programs which can be played in any town of the country. The broadcasting system has modern equipment, including 66 auditories of high acoustic quality and 15 mobile plants for records and transmissions of all kinds. The system was in all details as efficient as any modern broadcasting system in the world. Two experimental television transmitters were installed in 1940, one in Rome and the second in Milan: each transmitter had an output of 0.5 Kw. for television and 2 Kw. for sound. Both transmitters, which comprised very complex equipment, operated for a very short period only, owing to the war.

*War Damage.*

136. The centres of Coltano and Radio Fiumicino were completely destroyed by the Germans with a total damage of about 660 million lire. The damage to the Italcable plants is estimated at about 240 million lire; the damage to S.I.R.M. was severe because most of the Italian merchant ships were sunk. The broadcasting system was also severely damaged; about 30 transmitters

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system will require an expenditure of about 60 million lire.

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(ii) The transmitting coastal centres of Naples, Genoa and Fiume—of low output power—with a very moderate traffic exclusively with ships.

(b) The concessioned ItaloRadio system (which in 1942 was absorbed by Italcable) was equipped with 13 transmitters with a total output of 710 Kw. In 1938 the traffic was about 18 million words during the year.

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smitters could operate having a total output of 129 Kw. in addition to two short wave transmitters for a total output of 100 Kw. At present 19 medium wave transmitters with a total power of Kw. 264 are in service in addition to the two short wave transmitters. By using dismantled materials recovered in North Italy and materials now available on the market, it is expected that during 1946 the number of operating medium wave transmitters will be increased to 28 having a total power of 540 Kw. and short wave transmitters to 3 with a total power of 150 Kw.

*Rehabilitation Program.*

137. The general lines of the existing State system will remain unchanged. It has not yet been decided whether the centre at Coltano will be rebuilt there or in Rome. Details of the rehabilitation plan are to be studied in the light of the progress in technique and the enlargement of plants expected to take place in the future. At the moment, a provisional appropriation of 500 million lire is programmed in the budgets for 1946-50.

138. As regards the Broadcasting system, the rehabilitation plan provides for the installation in the next five years of three medium transmitters in Rome, two of them of high power and five short wave transmitters, at least two of which would be in Rome. Much of the pilfered equipment has been recovered in Alto Adige and the details of the rehabilitation plan for this section will depend partly on the use that can be made of this material.

139. No provision has been made for television additional to the experimental plants in Milan and Rome which, after being removed by the Germans, were recovered and assembled in Turin.

135. In connection with the above, an appropriation of 350 million lire is programmed in the budgets of 1946-50.

## (F) *BUILDINGS*

140. The real estate of the Italian State Administration of Communications amounted in 1939 to about 352 million lire and that of concessioned concerns to 235 million lire, i.e. a total of 587 million lire, equal to 11,700 million lire in 1946 value.

*War Damage.*

141. Most of the buildings were severely damaged following war action and the damage suffered by the State Administration and concessioned concerns has been estimated by the Italian authorities at 2,500 million lire (Communications) and 3,600 million lire (concessioned concerns), i. e. a total of 6,100 million lire.

*Rehabilitation Program.*

142. The rehabilitation of buildings is obviously of first priority in the rehabilitation program but any temporary or provisional solution is not possible. The program provides for an appropriation of 450 and 1,050 millions respectively for the buildings of the State Administration and concessioned concerns, i.e. a total of 1,500 million lire (in 1945 value).

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August 23, 1946 Vol. I, No. 32

# ECONOMIC NOTES

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1. UNRRA Fifth Council Plans For 1947
2. Wheat Amassing Campaign
3. UNRRA Imports in July
4. UNRRA Helps Fishing Trade
5. Movements of Ships

## UNRRA FIFTH COUNCIL PLANS FOR 1947

UNRRA's work will continue through other bodies, although UNRRA, as an organization, will come to an end within the next few months. During its two-week session at Geneva the Fifth Council discussed the procedure for transferring its activities to the new and permanent bodies that have come, or are coming, into being under the auspices of the United Nations.

But it must be emphasized that the Council's resolutions to effect this transfer are recommendations, and not mandates: and that the new permanent organizations to which it is proposed to transfer many of UNRRA's functions are still in embryonic form, or do not exist at all.

### Economic Aid

The Council recognized that difficulties, including lack of foreign exchange, might be experienced in 1947 by liberated countries in securing the basic essentials of life, particularly food and supplies for agricultural production. Such difficulties, it pointed out, might result in hardship and suffering in some countries unless prompt international action was taken by the General Assembly of the United Nations.

The Council has, therefore, recommended that the General Assembly should forthwith establish, or designate, some agency to review

In regard to supplies already programmed by UNRRA, the Council recommended that the Administration should make every effort to complete procurement and shipments against approved programs of operation by the dates already specified. Where, however, the shipment of certain supplies by the dates specified is not possible, the Administration is authorized to arrange for such procurement and shipment to receiving countries—in Europe after the end of 1946, and in the Far East after 31 March, 1947. But it should complete operations as early thereafter as possible.

To ensure the maximum use by liberated countries of their own resources, the Council has recommended that the Food and Agriculture Organization, at its forthcoming meeting in Copenhagen, should consider the special problem of these liberated countries, with a view to providing the maximum technical assistance in the speedy re-establishment of agricultural production.

### Future of Lire Fund

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By the terms of a resolution on the Lire Fund (and similar funds in other receiving countries), the Council has recommended that the functions and responsibilities of UNRRA

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The Council has, therefore, recommended that the General Assembly should forthwith establish, or designate, some agency to review the needs of these countries in 1947 for financing (to the extent that they cannot otherwise be met) urgent imports of basic materials after the termination of UNRRA programs, and make recommendations on the financial assistance that might be required as a result of foreign exchange difficulties.

In regard to supplies already programmed by UNRRA, the Council recommended that the Administration should make every effort to complete procurement and shipments against approved programs of operation by the dates already specified. Where, however, the shipment of certain supplies by the dates specified is not possible, the Administration is authorized to arrange for such procurement and shipment to receiving countries—in Europe after the end of 1946, and in the Far East after 31 March, 1947. But it should complete operations as early thereafter as possible.

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## Future of Lire Fund

5105

By the terms of a resolution on the Lire Fund (and similar funds in other receiving countries), the Council has recommended that the functions and responsibilities of UNRRA in regard to the utilization of such funds for relief and rehabilitation work should be transferred at the appropriate time to the United Nations, or to some special body designated by the United Nations. The governments which have concluded agreements with UNRRA are to be asked to agree to the transfer.

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### Program for Displaced Persons

It is not known at what date the International Refugee Organization can begin operations in respect of Displaced Persons. But, in the view of the Council, it is desirable that the work of UNRRA should not cease until the International Refugee Organization, or some appropriate interim organization, is able to take over the work. The Administration is, therefore, authorized to continue its various operations until they are undertaken by the I.R.O., by an interim commission or by any other appropriate body, provided that none of these operations shall be continued by the Administration after 30 June, 1947.

### Operations Continue Till June

A fund is to be set aside from the resources of the Administration to continue these operations until 30 June, 1947, on a scale of cost not exceeding that of its present operations. The Administration, with the approval of the Central Committee, may transfer to its successors the whole or part of this fund, or the whole or part of its records, files, equipment or other property relating to its operations with respect to Displaced Persons; and may arrange for the transfer of any of its personnel. The Council hopes that this transfer will take place as soon as possible, and that the I.R.O. will begin operations at the earliest possible date.

To bring its work into closer harmony with that of the International Refugee Organization, the Administration is given authority to apply the principles embodied in the draft constitution of the I.R.O., and to extend or adjust its work to cover any of the categories of persons defined in that draft constitution.

### Repatriation is Main Task

Stressing the importance of repatriating and restoring to useful and productive lives in their homelands as many Displaced Persons as possible, the Council has laid down that repatriation is to be regarded as UNRRA's main

All UNRRA personnel who discourage repatriation are to be removed, and only such voluntary agency personnel will be admitted to camps as undertake *not* to discourage it.

### Social Welfare Services

The Council has recommended that UNRRA's social welfare services (exclusive of those relating to Displaced Persons) should be transferred to the United Nations. Rehabilitation of children and adolescents in countries which were the victims of aggression is considered to be of paramount importance. It is recognized, however, that national rehabilitation programs cannot be carried into effect without imports of certain types of food and equipment, as well as reciprocal arrangements for technical services.

The Council has, therefore, recommended that such assets as the Central Committee may determine to be available after the completion of UNRRA's work should be used for the benefit of children and adolescents. It has suggested that an International Children's Fund should be created, to which these assets would be transferred, together with any gifts for this purpose, and for general child health purposes, that may be made by governments, voluntary agencies or individuals. A Standing Committee of the Council is to be set up to prepare recommendations, in agreement with the Economic and Social Council of the United Nations.

### World Health Organization

UNRRA will consult with the Interim Commission of the World Health Organization, with a view to transferring to the Commission as soon as practicable the duties and functions entrusted to the Administration by the International Sanitary Convention of 1944, as well as such other functions of UNRRA in the field of health as the World Health Organization, or its Interim Commission, may be willing to undertake.

UNRRA will also transfer to the World

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the work of UNRRA should not cease until the International Refugee Organization, or some appropriate interim organization, is able to take over the work. The Administration is, therefore, authorized to continue its various operations until they are undertaken by the I.R.O., by an interim commission or by any other appropriate body, provided that none of these operations shall be continued by the Administration after 30 June, 1947.

### Operations Continue Till June

A fund is to be set aside from the resources of the Administration to continue these operations until 30 June, 1947, on a scale of cost not exceeding that of its present operations. The Administration, with the approval of the Central Committee, may transfer to its successors the whole or part of this fund, or the whole or part of its records, files, equipment or other property relating to its operations with respect to Displaced Persons; and may arrange for the transfer of any of its personnel. The Council hopes that this transfer will take place as soon as possible, and that the I.R.O. will begin operations at the earliest possible date.

To bring its work into closer harmony with that of the International Refugee Organization, the Administration is given authority to apply the principles embodied in the draft constitution of the I.R.O., and to extend or adjust its work to cover any of the categories of persons defined in that draft constitution.

### Repatriation is Main Task

Stressing the importance of repatriating and restoring to useful and productive lives in their homelands as many Displaced Persons as possible, the Council has laid down that repatriation is to be regarded as UNRRA's main task in this sphere of operations. The Administration is to facilitate the dissemination of information about home conditions in the countries to which people are to be repatriated, and at the same time it must ensure free and uncensored communications between Displaced Persons and their relatives and friends at home.

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UNRRA will also transfer to the World Health Organization, or its Interim Commission, records, equipment, material and personnel, and—subject to the approval of the Central Committee—such funds as may be necessary for the performance of the transferred functions, provided no other resources are available.

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In adjourning the Geneva session of the Fifth Council on 16 August, it was agreed that a further session should be convened not later than the end of November, subject, however, to the possible decision of the Central Committee to postpone the Council meeting to a later date.

## WHEAT AMASSING CAMPAIGN

This year's amassing campaign has yielded more than 1,880,408 tons of wheat up to 15 August, thanks to vigorous action on the part of the Government, and the co-operation and public spirit shown by the majority of the farmers. This figure represents 79 per cent. of the target figure for the country as a whole, and compares with 2,016,836 tons amassed up to the same date in 1943, which was a particularly good year, and 548,556 tons last year, when, owing to drought and war, returns were exceptionally bad.

The best deliveries have been made in Marche, Umbria, and Lazio, which have all exceeded the present government target figure, and from Emilia and Tuscany, which have both amassed more than 90 per cent. The lowest amassing figures, according to returns up to 15 August, are reported from Venezia Tridentina (1.8 per cent.) and Liguria (14 per cent.)—where, however, it must be taken into consideration that the harvest is relatively late—and from Sicily (27.9 per cent.) and Calabria (39.5 per cent.)

### Target Will Be Achieved

In spite of the failure of certain districts to deliver their quota, the figure for the country as a whole may be regarded as satisfactory, and there is reasonable hope that the national target of 2,379,800 tons will be achieved. The Government and the local authorities are maintaining their pressure throughout the country, and the premiums originally offered for early amassing are still being paid. The period was [illegible] extended until 10 August. From

given considerable publicity in the Italian and foreign press; but while these disturbances have undoubtedly been grave, the total effect upon Italy's grain amassing campaign is not considered to be great.

Trouble has, for instance, occurred in Veneto, but already this region has delivered 71 per cent. of the target figure fixed in the ammassi program. Lombardy and Piedmont, where there have been demonstrations and police intervention, had by 15 August, achieved 56 per cent. and 50 per cent. of their respective ammassi targets. On the other hand, the ammassi campaign is progressing very slowly in Venezia Tridentina where, however, it must be remembered that harvesting is late since much of the wheat is grown at high altitudes. But as its total target figure amounts to no more than 2,930 tons, the effect upon Italy in general is negligible.

### Sicily Amasses Nearly 50,000 Tons

In Sicily, the position is complicated, owing to the combined effect of political cross-currents and an economic situation which provides exceptional openings for black market trade both within the island and at ports outside the island. It must be emphasized, however, that in spite of difficulties, some 49,669 tons have already been amassed of the total target figure of 178,000 tons.

This represents approximately 28 per cent. of what the grain producers in the island should have delivered. Low as this percentage is, it is, nevertheless, a substantial improvement on last year's figure, when, in spite of every effort, only a little more than 17 per cent. of the estimated quantity available for collection was, in fact, delivered to the people's granaries.

## UNRRA IMPORTS IN JULY

UNRRA-imported supplies arriving in Italian ports during July totalled 711,000 metric tons, plus an estimated 100,000 tons of petroleum products, imported through military

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Ammassi riots in various parts of the mainland, and particularly in Sicily, have been

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## UNRRA IMPORTS IN JULY

UNRRA-imported supplies arriving in Italian ports during July totalled 711,000 metric tons, plus an estimated 100,000 tons of petroleum products, imported through military channels on UNRRA account, and paid for from UNRRA funds. This is the largest monthly tonnage which has arrived since April and is over double the amount arriving in June.

The heaviest share of the July imports, namely 584,000 tons, goes to Italy's industrial

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rehabilitation. In addition to the 100,000 tons of petroleum products, 473,000 tons of coal were delivered at Italian ports. Steel and manganese ore imports totalled 3,600 tons, crude rubber 2,200 tons, asbestos 2,400 tons, chemicals (including rubber processing materials) 1,500 tons and refined copper 900 tons. Medical and sanitation supplies imported during July amounted to 430 tons.

Wheat imports amounted to 103,300 tons with a further 58,800 tons (wheat equivalent) of other bread cereals and grain products. Other food items imported were 20,900 tons of sugar (including corn syrup), 8,900 tons of edible fats, 2,800 tons of pulses, 3,100 tons of meat, meat preparations and fish, and 980 tons of milk products.

### Agricultural Rehabilitation

Agricultural rehabilitation accounted for 13,300 tons, which included 8,600 tons of fertilizer (nitrates and phosphates), 3,800 tons of blister copper (for the manufacture of pesticide), 194 tons of tinplate (for food preserving), 175 tons of seed and 103 tons of pesticides.

Under textiles, clothing and footwear (totalling 4,700 tons) were 2,300 tons of raw cotton, 1,994 tons of miscellaneous footwear materials, 192 tons of hides and skins, and 118 tons of composition and rubber soling.

In addition to the above imports, UNRRA also provided shipping and incidental handling services in connection with imports not on the UNRRA program. These imports consisted of 24,150 tons of wheat, a gift to Italy from Argentina, and 157 tons of clothing contributed by donors overseas.

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## UNRRA HELPS FISHING TRADE

An average drop of 1,000 per cent. in the price of cotton twine, and 300 to 800 per cent. in fishing net prices is the latest example of [illegible] UNRRA rehe-

soared as war damage and normal depreciation whittled down the nation's fishing equipment. What cotton-twine remained, was mostly held in Northern Italy where price levels averaged 6,000 lire per kilogram while in Southern Italy, with virtually no spinning mills, prices reached 10,000 lire per kilogram. Prices throughout Italy now average 600-1,200 lire per kilogram.

### Downward Trend Begins

The tide began to turn with the import of 170 tons of cotton by the Allied Commission, and the prospects of resumed access to normal sources. Hoarded stocks re-appeared and prices started to decrease. This trend was sharply accentuated with the arrival of 300 tons of UNRRA-imported raw cotton destined for the fishing industry. The Italian Ministry of Agriculture handed the cotton over to the FARP (Fondazione Assistenza Rifornimenti Pesca, a non-profit making body controlled by the Ministry of Agriculture) which allocated it to the spinning mills in North Italy.

A further difficulty which arose in connection with the financing of the industrial processing has now been settled. As the FARP was unable to pay for the raw cotton —which, like all UNRRA-imported supplies, is placed on sale by Italian agencies and the proceeds then paid into the Lire Fund—the spinning factories agreed to pay for it themselves on assurance from the FARP that the finished products, viz. the twine, would be purchased by the net factories for manufacture into nets.

### Agreement Reached

Agreement has now been reached. The 300 tons of raw cotton will all be manufactured into twine which the net factories will then make into nets. Hence, fishermen can now place orders either direct with the net factories or with the FARP. They will be charged prices varying from 1,400 to 4,000 lire per kilogram (according to size of mesh, twine, etc.) as against price levels which had reached 12,000 lire per kilogram two years ago.

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## UNRRA HELPS FISHING TRADE

An average drop of 1,000 per cent. in the price of cotton twine, and 300 to 800 per cent. in fishing net prices is the latest example of what can be achieved through UNRRA rehabilitation efforts and economic co-operation in Italy.

Before the war, cotton twine for fishing nets was sold at between 20 and 30 lire a kilogram. Imports then ceased, the existing stocks were diverted from civilian purposes and demand 10,000 lire per kilogram. Prices throughout Italy now average 600-1,200 lire per kilogram.

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## « ECONOMIC SURVEY » SUPPLEMENT

*The Supplement published with this week's issue of* Economic Notes *deals with Transport and Communications.*

1935
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# MOVEMENTS OF SHIPS

## CARGOES OTHER THAN COAL

(AUGUST 10 - 16 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | ACCOUNT | CARGO | TONS |
|---|---|---|---|---|---|
| Jose Bonifacio | Genoa | 10 August | UNRRA | General | 2,258 |
| F. Scott Fitzgerald | Naples | " " | " | Nitrates | 7,721 |
| Hobart Victory | Brindisi | " " | " | General | 6,837 |
| Zealand | Genoa | 11 " | " | " | 280 |
| Wesleyan Victory | Venice | " " | " | " | 4,576 |
| Horace Luckenbach | Savona | 12 " | " | Cotton | 5,317 |
| Jericho Victory | Naples | " " | " | Sugar / General | 5,650 / 1,519 |
| Joseph Gale | Genoa | " " | Commercial | " | 3,800 |
| John E. Schmeltzer | Venice | " " | UNRRA | Maize | 8,366 |
| Fort Carillon | Messina | " " | " | Wheat | 8,648 |
| Winfred Smith | Naples | 13 " | " | General | 6,198 |
| Louis MacLane | Venice | " " | It. Program | Maize | 8,281 |
| Reuben Tipton | Genoa | 14 " | UNRRA | General | 2,991 |
| Fort Yukon | Venice | " " | " | " | 897 |
| Highflyer | " | " " | " | " | 6,667 |
| Fernebo | Genoa | 15 " | Commercial | Cotton | 1,600 |
| Alma Victory | Leghorn | " " | UNRRA | General | 6,292 |
| Salvador Brau | Castellammare | " " | " | Cereals | 8,204 |
| Luigi Nola | Genoa | 16 " | It. Program | Pyrites | 1,420 |

## LATEST COAL SHIPMENTS

(AUGUST 10 - 16 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | COUNTRY OF ORIGIN | ACCOUNT | TONS |
|---|---|---|---|---|---|
| Mary Pickersgill | Bari | 10 August | United States | UNRRA | 8,341 |
| Julian Dubuque | Venice | " " | " " | " | 8,392 |
| Francis Culkin | Savona | " " | " " | " | 8,051 |
| Stad Haarlem | Bagnoli | 11 " | Germany | " | 7,608 |
| David Huger | Venice | " " | United States | " | 8,245 |
| Wansford | Savona | " " | Germany | " | 7,600 |
| Benjamin French | " | " " | United States | " | 8,268 |
| Springbjorn | Genoa | " " | Germany | " | 3,870 |
| John Quick | Venice | 12 " | United States | " | 8,652 |
| William Blount | Savona | " " | " " | " | 7,920 |
| M. E. Comerford | Genoa | " " | " " | " | 4,020 |
| Thomas Nelson | " | " " | " " | " | 8,910 |
| Nandi | Savona | 13 " | Germany | " | 2,609 |
| Pelorum | Genoa | " " | " | " | 7,400 |
| David Yulee | Venice | " " | United States | " | 8,497 |
| John Abell | Catania | " " | " " | " | 8,380 |
| William Edwards | Genoa | " " | " " | " | 8,290 |
| Donald Holland | Venice | 14 " | " " | " | 8,592 |
| Stephen W. Kearney | Civitavecchia | " " | " " | " | 9,053 |
| David Galliard | Ancona | " " | " " | " | 4,500 |
| Albert Burleson | Bari | " " | " " | " | 8,383 |

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| | | | | | |
|---|---|---|---|---|---|
| Jose Bonifacio | Genoa | 10 August | UNRRA | General | 2,258 |
| F. Scott Fitzgerald | Naples | " " | " | Nitrates | 7,721 |
| Hobart Victory | Brindisi | " " | " | General | 6,837 |
| Zealand | Genoa | 11 " | " | " | 280 |
| Wesleyan Victory | Venice | " " | " | " | 4,576 |
| Horace Luckenbach | Savona | 12 " | " | Cotton | 5,317 |
| | | | | Sugar | 5,650 |
| Jericho Victory | Naples | " " | " | General | 1,519 |
| Joseph Gale | Genoa | " " | Commercial | " | 3,800 |
| John E. Schmeltzer | Venice | " " | UNRRA | Maize | 8,366 |
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| Winfred Smith | Naples | 13 " | " | General | 6,198 |
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| Reuben Tipton | Genoa | 14 " | UNRRA | General | 2,991 |
| Fort Yukon | Venice | " " | " | " | 897 |
| Highflyer | " | " " | " | " | 6,667 |
| Fernebo | Genoa | 15 " | Commercial | Cotton | 1,600 |
| Alma Victory | Leghorn | " " | UNRRA | General | 6,292 |
| Salvador Brau | Castellammare | " " | " | Cereals | 8,204 |
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| William Blount | Savona | " " | " " | " | 7,920 |
| M. E. Comerford | Genoa | " " | " " | " | 4,020 |
| Thomas Nelson | " | " " | " " | " | 8,910 |
| Nandi | Savona | 13 " | Germany | " | 2,609 |
| Pelerum | Genoa | " " | " | " | 7,400 |
| David Yulee | Venice | " " | United States | " | 8,197 |
| John Abell | Catania | " " | " " | " | 8,380 |
| William Edwards | Genoa | " " | " " | " | 8,290 |
| Donald Holland | Venice | 14 " | " " | " | 8,592 |
| Stephen W. Kearney | Civitavecchia | " " | " " | " | 9,053 |
| David Galliard | Ancona | " " | " " | " | 4,500 |
| Albert Burleson | Bari | " " | " " | " | 8,383 |
| Julien Poydras | Civitavecchia | " " | " " | " | 3,729 |
| William Phips | Piombino | " " | " " | " | 4,500 |
| Henry Adams | Palermo | 15 " | " " | " | 8,511 |
| George Walton | Genoa | " " | " " | " | 8,832 |
| Joshua Slocum | " | " " | " " | " | 3,796 |
| Joseph Holmes | Venice | " " | " " | " | 3,952 |
| Smith Thompson | Catania | 16 " | " " | " | 3,568 |
| Ameriki | Savona | " " | " " | " | 8,644 |
| Pheaux II | " | " " | " " | " | 9,202 |
| Orbis | " | " " | " " | " | 5,348 |

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# TRANSPORTATION AND COMMUNICATIONS

## PART ONE - INLAND TRANSPORTATION (2)

*Introduction.*

1. Freight traffic carried in Italy by rail, road, canal, river, and in coastwise and intercoastal traffic is now only about 60 % of pre-war in terms of tonnage and even less in terms of ton kilometers. Traffic by every means of transport has suffered a reduction. The greatest reductions have occurred on the inland waterways and in coastwise and intercoastal traffic. Before the war roughly 55 % of all freight was carried on the railroads, 27 % by truck, 12 % along the coasts and 6 % on inland waterways. At the present time, the corresponding proportions are roughly 60 %, 35 %, 4 % and 1 %. Rail freight tonnage carried in 1946 is only about 70 % of pre-war and of that more than 10 % is for the account of Allied Military. Motor-truck tonnage hauled is about 80 %, that by schooners and coaster only about 20 %, and that by inland waterways a negligible percentage of pre-war.

2. The number of passengers carried by railway is estimated by the Italian State Railways at about pre-war notwithstanding that the number of passenger-train kilometers is estimated at less than 25 % of pre-war. Heavy reductions have occurred in travel by bus and private car.

3. The above figures do not adequately describe the reduction in carrying capacity resulting from war damage and lack of maintenance and replacement of facilities and equipment, since all forms of transportation, except highway trucks, are now operating at or near capacity, whereas considerable unutilized capacity existed before the war.

4. Railway track, motive power, passenger coaches, freight wagons and communication equipment have all suffered from war damage and war-deferred maintenance and renewal. Highways have suffered from under-maintenance and heavy war traffic. A large percentage of the highway bridges was destroyed by bombing and mining. Motor-trucks are inadequate supply although generally less efficient than pre-war. Passenger cars and buses are inadequate to the demands for travel. More largely inoperative by destruction of locks, bridges and shore installations. Gross registered tonnage of coasters and schooners in Italian hands is only about 60 % of pre-war.

5. Railroad and motor vehicle fuel, for which Italy is almost exclusively dependent on UNRRA, is not adequate to all the traffic requirements of the country, although enough for essential purposes. Restricted railroad facilities have been even further limited by the need for reducing speed in order to conserve coal and POL (3). POL is adequate for highway freight traffic but in an effort to conserve UNRRA-imported POL, passenger motor travel has been severely restricted.

6. Rapid strides have been made in rehabilitating the railroads, but even under the most favorable conjuncture of world raw material availability and Italian foreign exchange holdings, at least five years will be required to bring the Italian railroads to a pre-war level. Meanwhile, notable advances in operating techniques are compensating somewhat for the physical handicaps under which railroad operations are conducted.

7. Motor-trucks are in excess of needs and the Italian motor-truck manufacturing industry is reviving, although lack of materials and fuel has retarded that revival. Passenger cars and buses, in very short supply, are also coming off the production lines at a rate also largely governed and limited by lack of material and fuel which can only be obtained from abroad. Salvage operations are continually adding to the coastwise and inland waterways fleets. But shortages of timber and steel plates, frames and girders and beams are rendering repair and replacement very difficult.

8. Restrictions on the use of POL for passenger cars and buses have resulted in the conversion of large numbers of passenger cars for trucking purposes. Simultaneously, large profits have been earned by truckers by the unlawful use of their vehicles for carrying passengers at exorbitant rates. The very short supply of railroad freight wagons has been aggravated by the necessity for converting closed cars into passenger

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2. The number of passengers carried by railway is estimated by the Italian State Railways at about pre-war notwithstanding that the number of passenger-train kilometers is estimated at less than 25 % of pre-war. Heavy reductions have occurred in travel by bus and private car.

3. The above figures do not adequately describe the reduction in carrying capacity resulting from war damage and lack of maintenance and replacement of facilities and equipment, since all forms of transportation, except highway trucks, are now operating at or near capacity, whereas considerable unutilized capacity existed before the war.

4. Railway track, motive power, passenger coaches, freight wagons and communication equipment have all suffered from war damage and war-deferred maintenance and renewal. Highways have suffered from under-maintenance and heavy war traffic. A large percentage of the highway bridges was destroyed by bombing and mining. Motor-trucks are inadequate supply although generally less efficient than pre-war. Passenger cars and buses are inadequate to the demands for travel. More than 60 % of all tugs and barges used on inland waterways were sunk, and the river and canal system rendered largely inoperative by destruction of locks, bridges and shore installations. Gross registered tonnage of coasters and schooners in Italian hands is only about 60 % of pre-war.

5. Railroad and motor vehicle fuel, for which Italy is almost exclusively dependent on UNRRA, is not adequate to all the traffic requirements of the country, although enough for essential purposes. Restricted railroad facilities have been even further limited by the need for reducing speed in order to conserve coal and POL (3). POL is adequate for highway freight traffic but in an effort to conserve UNRRA-imported POL, passenger motor travel has been severely restricted.

6. Rapid strides have been made in rehabilitating the railroads, but even under the most favorable conjuncture of world raw material availability and Italian foreign exchange holdings, at least five years will be required to bring the Italian railroads to a pre-war level. Meanwhile, notable advances in operating techniques are compensating somewhat for the physical handicaps under which railroad operations are conducted.

7. Motor-trucks are in excess of needs and the Italian motor-truck manufacturing industry is reviving, although lack of materials and fuel has retarded that revival. Passenger cars and buses, in very short supply, are also coming off the production lines at a rate also largely governed and limited by lack of material and fuel which can only be obtained from abroad. Salvage operations are continually adding to the coastwise and inland waterways fleets. But shortages of timber and steel plates, frames and girders and beams are rendering repair and replacement very difficult.

8. Restrictions on the use of POL for passenger cars and buses have resulted in the conversion of large numbers of passenger cars for trucking purposes. Simultaneously, large profits have been earned by truckers by the unlawful use of their vehicles for carrying passengers at exorbitant rates. The very short supply of railroad freight wagons has been aggravated by the necessity for converting closed cars into passenger coaches in order to meet part of the heavy demand for passenger service.

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(1) *See Supplement to Vol. 1 No. 27 for Introduction to Survey of Italy's Economy and for Survey of Finance, No. 28 for Survey of Agriculture and Food in Italy and Nos. 30 and 31 for Survey of Italian Industry.*

(2) Sea transport will be dealt with as a separate section of the Foreign Trade Supplement.

(3) Petrol, Oil, Lubricants.

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9. Some indication of the work that lies ahead is given by the estimate of the Italian State Railways that rehabilitation of the railway system as a result of war damage will cost over 300.000 million lire, as follows:

| State Railways | Thousand million lire |
|---|---|
| Railroad, bridges, stations, etc., and fixed plant | 151.1 |
| Means of traction | 41.7 |
| Rolling stock | 132.5 |
| Ferryboats, stocks, stores, etc. | 42.0 |
| Total I.S.R. | 367.3 |
| Private railways | 8.7 |
| Estimated total damage | 376.0 (1) |

(1) In addition the program provides for the expenditure of 46.000 million lire on the development of electrification.

10. The anomalous price structure that characterizes Italian economy generally is characteristic also of the transportation industry and its effects are noteworthy. Railroad rates have increased by much less than prices generally since before the war.

11. Official coastwise-shipping rates have increased by slightly more than rail rates. The advance in motor-truck rates has been the same as, or perhaps slightly greater than that for prices generally. As a result, the demands on the very limited railroad facilities have been proportionately even greater than normal. The large motor-trucking capacity is only partially utilized and much freight that would normally move by rail is not transported at all. Existing wide regional price differences in Italy are generally attributed to the greatly increased transport costs. As to the bulk of the freight that goes by railroad, however, this conclusion is unwarranted. Nor are motor-truck rates sufficiently high to have increased the relative spread between prices in different parts of the country. There are, however, hidden transport costs. Otherwise profitable motor-trucking is not undertaken for fear of hijacking or other forms of pilferage. Black-marketeers use rail passenger facilities for carrying rationed commodities long distances to high priced markets. The breakdown of commercial channels generally throughout Italy has resulted in the reinstitution of the commercial traveller hauling even unrationed goods by passenger trains to favorable markets. These influences to-

All the POL and practically all the coal used by Italian transport is provided by UNRRA. UNRRA has also provided motor vehicles for use in malaria control and housing repair and reconstruction. Three and one-half million dollars worth of bitumen have been programmed for importation by UNRRA for highway reconstruction. In addition UNRRA fuels, and relatively small but important quantities of raw and semi-finished materials, are being used for the manufacture of motor vehicles, and will be used for ship and railroad reconstruction. In the main, however, UNRRA has not contemplated direct participation in the rehabilitation of Italy's transport. Rather, its program has been designed to reactivate Italian industry which will then be able to provide the equipment and materials necessary to the restoration of Italy's transport system.

## *RAIL TRANSPORTATION*

(See Map - Table 1)

### *General.*

13. The great bulk of the railway system in Italy is State-owned and operated. A small kilometrage under State ownership is operated under concession by private interests. A very small kilometrage is privately owned and operated.

14. At the present time the railroads are carrying slightly more than 40 % of the commercial freight hauled by rail in pre-war years. The inclusion of Allied military traffic brings that percentage to above 50 % (see Table 2). It has proved difficult to obtain comparable statistics on pre-war and post-war passenger traffic. But it appears that in 1946, 40 % of the pre-war train kilometers are being run and that passenger train kilometers are only 25 % of pre-war (see also Graph - Table 3). These figures do not, however, indicate the extent of war time destruction and deterioration. Nor do the statistics in Tables 2, 4, 5, and 7 reflect adequately the position of the railways as compared with pre-war years.

15. The advances made by the Italian railways since the end of the war have been remarkable. Every phase of railroading has been improved by application of local ingenuity and by adopting the progressive methods introduced into Italy by the Allied military authorities. Ingenuity alone, however, has been an inadequate substitute for physical facilities. Lack of traction, of freight wagons, of signal facilities and of all of the mass of

1940
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| State Railways | Thousand million lire |
|---|---|
| Railroad, bridges, stations, etc., and fixed plant | 151.1 |
| Means of traction | 41.7 |
| Rolling stock | 132.5 |
| Ferryboats, stocks, stores, etc. | 42.0 |
| Total I.S.R. | 367.3 |
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12. UNRRA's direct contribution to the Italian transportation systems consists primarily of coal and POL. million dollars worth of bitumen have been programmed for importation by UNRRA for highway reconstruction. In addition UNRRA fuels, and relatively small but important quantities of raw and semi-finished materials, are being used for the manufacture of motor vehicles, and will be used for ship and railroad reconstruction. In the main, however, UNRRA has not contemplated direct participation in the rehabilitation of Italy's transport. Rather, its program has been designed to reactivate Italian industry which will then be able to provide the equipment and materials necessary to the restoration of Italy's transport system.

## *RAIL TRANSPORTATION*

(See Map - Table 1)

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15. The advances made by the Italian railways since the end of the war have been remarkable. Every phase of railroading has been improved by application of local ingenuity and by adopting the progressive methods introduced into Italy by the Allied military authorities. Ingenuity alone, however, has been an inadequate substitute for physical facilities. Lack of traction, of freight wagons, of signal facilities and of all of the mass of equipment that comprises a railroad system, has resulted in delayed port clearance, in congestion in the interior, in loss, damage and pilferage to freight and in discomfort and inconvenience to passengers. Freight that should move frequently cannot. Would-be passengers don't travel.

1945
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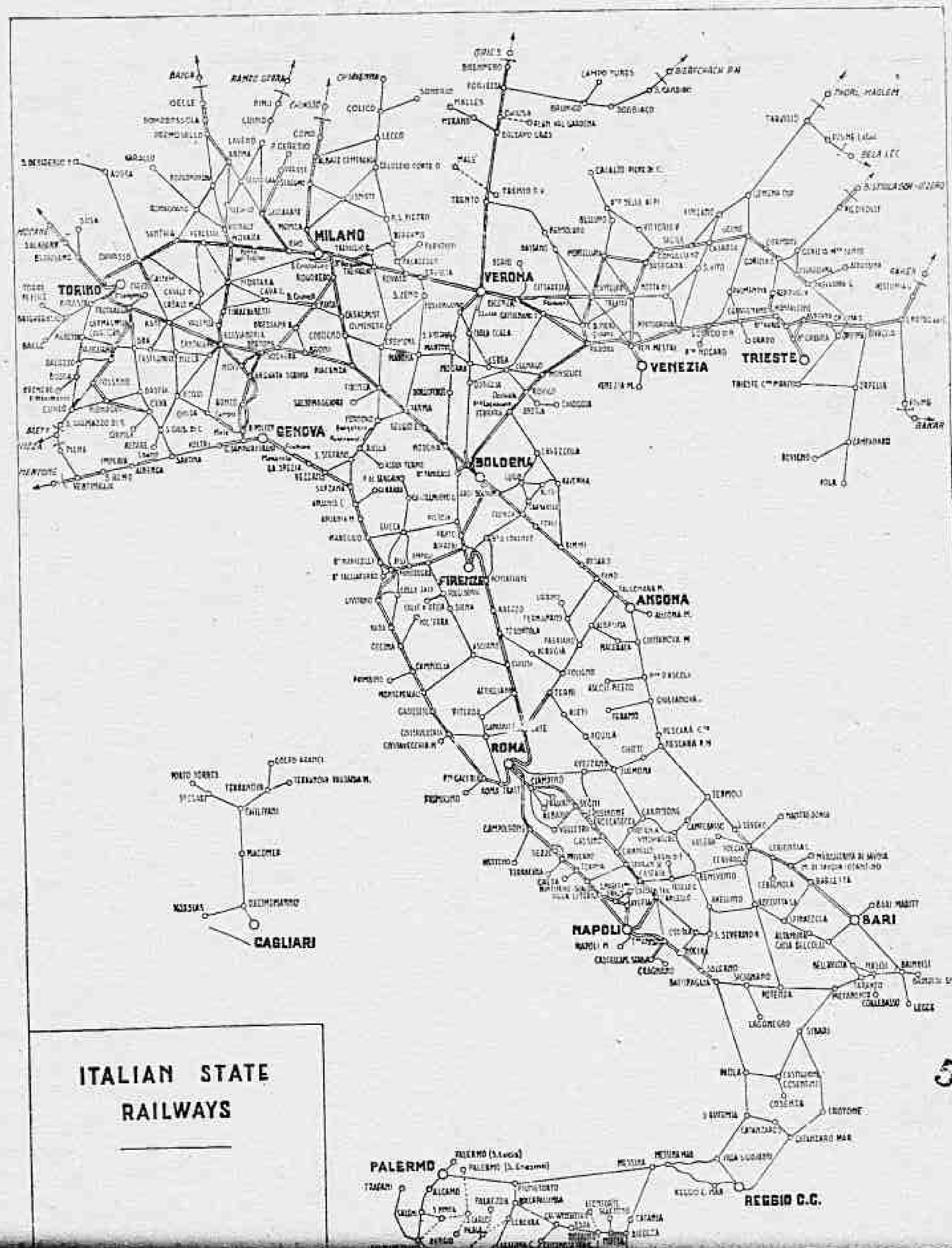
TABLE 1




ITALIAN STATE RAILWAYS

5103

1942
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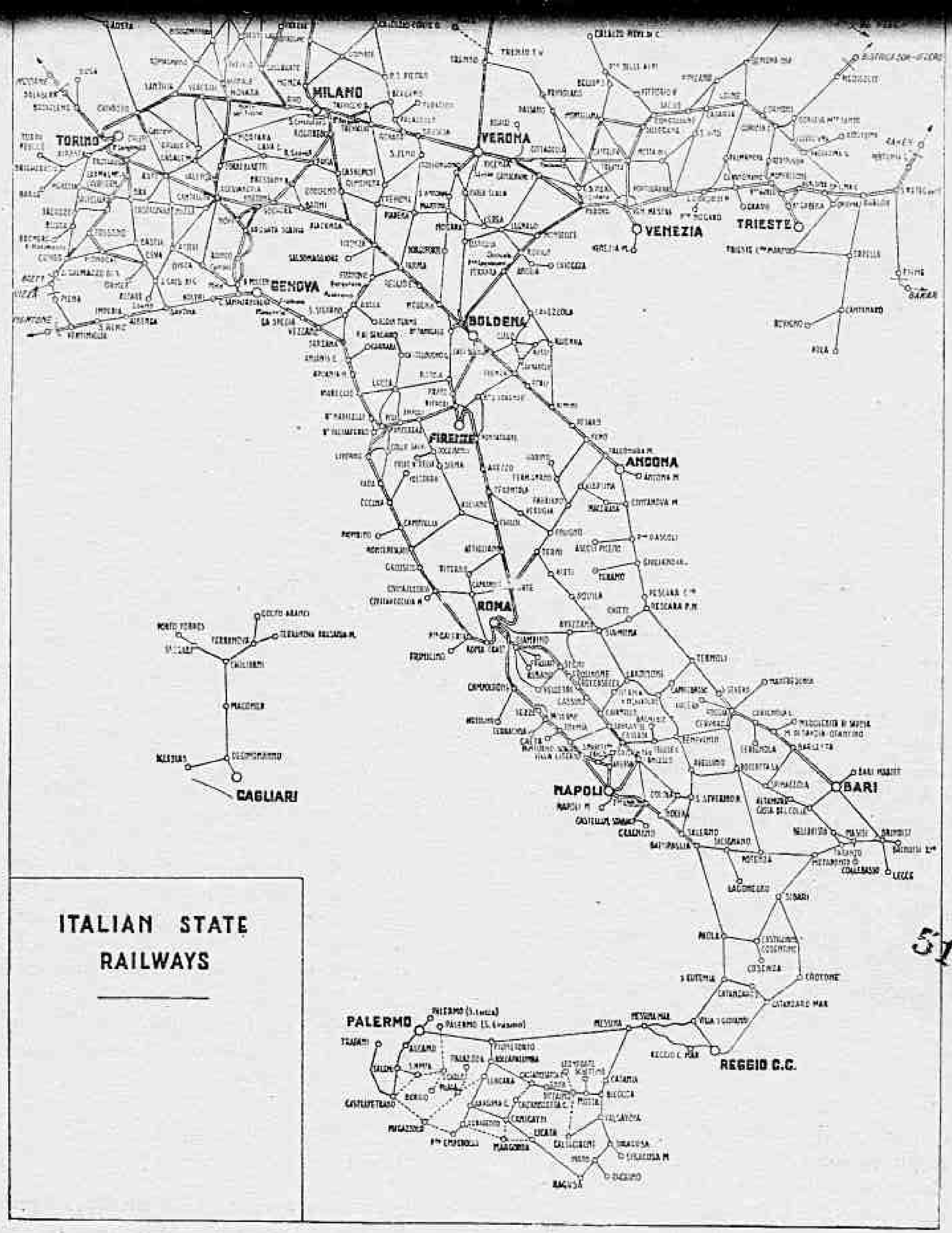


ITALIAN STATE
RAILWAYS

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Declassified E.O. 12356 Section 3.3/NND No. 765015

TABLE 2

## Italian State Railways

## Traffic Operation: Comparative table of train-kilometers

Kilometers

| TYPE | MARCH 1939 | MARCH 1946 | | | REMARKS |
|---|---|---|---|---|---|
| | | Civil | Military | Total | |
| Steam (Passenger) . . . | 3,989,000 | 977,154 | 88,971 | 1,066,125 | |
| Electric » . . . . . | 4,472,000 | 1,069,534 | 111,288 | 1,180,822 | |
| Oil Fuel » . . . . . | 2,838,000 | 497,715 | 129,837 | 627,552 | |
| TOTAL PASSENGER-TRAIN KMS. | 11,299,000 | 2,544,403 | 330,096 | 2,874,499 | Average speed Pass. Trains 30 KPH. |
| Steam Freight. . . . . | 2,441,000 | 919,050 | 160,600 | 1,079,650 | |
| Electric » . . . . . | 2,651,000 | 795,805 | 195,600 | 991,405 | |
| Oil Fuel » . . . . . | 13,000 | 484,320 | 117,000 | 601,320 | |
| TOTAL FREIGHT-TRAIN KMS. | 5,105,000 | 2,199,175 | 473,200 | 2,672,375 | |
| GROSS TOTALS KMS. | 16,404,000 | 4,743,578 | 803,296 | 5,546,874 | Average speed freight trains 19 KPH. |
| *Comparative No. of Trains Run.* | | | | | |
| Passenger. . . . . | 139,655 | 50,562 | 4,178 | 54,740 | |
| Freight. . . . . | 64,294 | 27,860 | 11,645 | 39,505 | |
| TOTALS | 203,949 | 78,422 | 15,823 | 94,245 | |

16. Without UNRRA the railroads would have been in an even worse position than they are today. Practically all the fuel and all the lubricants used by the railways in Italy in 1946 are being supplied by UNRRA. Means of providing coal and POL for the railroads after January 1. 1947 still remain to be found. UNRRA has not attempted to import heavy equipment for the railroads, although it is badly needed. Instead UNRRA has provided for the importation of fuels and industrial raw materials for rehabilitating Italian industry generally, and in the expectation that a revival of industry will expedite the repair and restoration of the railroads.

17. The following analysis aims at interpreting the statistics for locomotives, freight cars, and other transport material, so as to show the present status of the railways and to indicate the reconstruction problem that lies ahead.

*Traction.*

18. A comprehensive and detailed survey of the locotion units—steam engines, electric locos, and Diesel cars —only 3,207 are now actively available. The present availability includes 258 foreign locomotives. In 1939 there were in addition 748 units under repair—in March 1946 there were 3,251. Except for Diesel rail cars the overall traction stock in May 1946 was 5,813 compared with 5,642 in 1939 a net gain of 171, but there are 414 foreign locos in the present stock. The heaviest net loss is seen in Diesel cars—521 in service in 1939 compared with 149 in May 1946. As electric locomotives performed more than 50 % of the traction in 1939 and as the great bulk of the steam locomotives in use in 1939 were very old and destined to be replaced by electric, the war damage was especially serious. Table 4 indicates that approximately 60 % of the pre-war traction is in service, but the condition of these locomotives is such that their total efficiency is considerably below the 60 % level. The railway repair facilities in Italy suffered great damage during the war, and the servicing and repair of locomotives is still a matter of serious concern and difficulty.

1944
Declassified E.O. 12356 Section 3.3/NND No. 765015

| TYPE | MARCH 1939 | MARCH 1946 | | | REMARKS |
|---|---|---|---|---|---|
| | | Civil | Military | Total | |
| Steam (Passenger) | 3,989,000 | 977,154 | 88,971 | 1,066,125 | |
| Electric " | 4,472,000 | 1,069,534 | 111,288 | 1,180,822 | |
| Oil Fuel " | 2,838,000 | 497,715 | 129,837 | 627,552 | |
| TOTAL PASSENGER-TRAIN KMS. | 11,299,000 | 2,544,403 | 330,096 | 2,874,499 | Average speed Pass. Trains 30 KPH. |
| Steam Freight | 2,441,000 | 919,050 | 160,600 | 1,079,650 | |
| Electric " | 2,651,000 | 795,805 | 195,600 | 991,405 | |
| Oil Fuel " | 13,000 | 184,320 | 117,000 | 601,320 | |
| TOTAL FREIGHT-TRAIN KMS. | 5,105,000 | 2,199,175 | 473,200 | 2,672,375 | |
| GROSS TOTALS KMS. | 16,404,000 | 1,743,578 | 803,296 | 5,546,871 | Average speed freight trains 19 KPH. |
| *Comparative No. of Trains Kms.* | | | | | |
| Passenger | 139,455 | 50,562 | 4,178 | 54,740 | |
| Freight | 64,294 | 27,860 | 11,645 | 39,505 | |
| TOTALS | 203,949 | 78,422 | 15,823 | 94,245 | |

16. Without UNRRA the railroads would have been in an even worse position than they are today. Practically all the fuel and all the lubricants used by the railways in Italy in 1946 are being supplied by UNRRA. Means of providing coal and POL for the railroads after January 1, 1947 still remain to be found. UNRRA has not attempted to import heavy equipment for the railroads, although it is badly needed. Instead UNRRA has provided for the importation of fuels and industrial raw materials for rehabilitating Italian industry generally, and in the expectation that a revival of industry will expedite the repair and restoration of the railroads.

17. The following analysis aims at interpreting the statistics for locomotives, freight cars, and other transport material, so as to show the present status of the railways and to indicate the reconstruction problem that lies ahead.

*Traction.*

18. A comprehensive and detailed survey of the locomotive situation on the Italian railways will show that it is a major problem for solution. The method of solution is moreover bound up with future policy as to extension of electrified lines (see para. 41). A comparative review of the traction situation as at June 1939 and May 1946 (Table 4), indicates that of 6,458 traction units—steam engines, electric locos, and Diesel cars—only 3,207 are now actively available. The present availability includes 258 foreign locomotives. In 1939 there were in addition 748 units under repair—in March 1946 there were 3,251. Except for Diesel rail cars the overall traction stock in May 1946 was 5,813 compared with 5,642 in 1939 a net gain of 171, but there are 414 foreign locos in the present stock. The heaviest net loss is seen in Diesel cars—521 in service in 1939 compared with 149 in May 1946. As electric locomotives performed more than 50 % of the traction in 1939 and as the great bulk of the steam locomotives in use in 1939 were very old and destined to be replaced by electric, the war damage was especially serious. Table 4 indicates that approximately 60 % of the pre-war traction is in service, but the condition of these locomotives is such that their total efficiency is considerably below the 60 % level. The railway repair facilities in Italy suffered great damage during the war, and the servicing and repair of locomotives is still a matter of serious concern and difficulty.

*Rolling Stock.*

19. Table 5 shows the 1939 and 1946 figures of rail coaches, luggage and mail vans and of freight cars together with the repair capacity.

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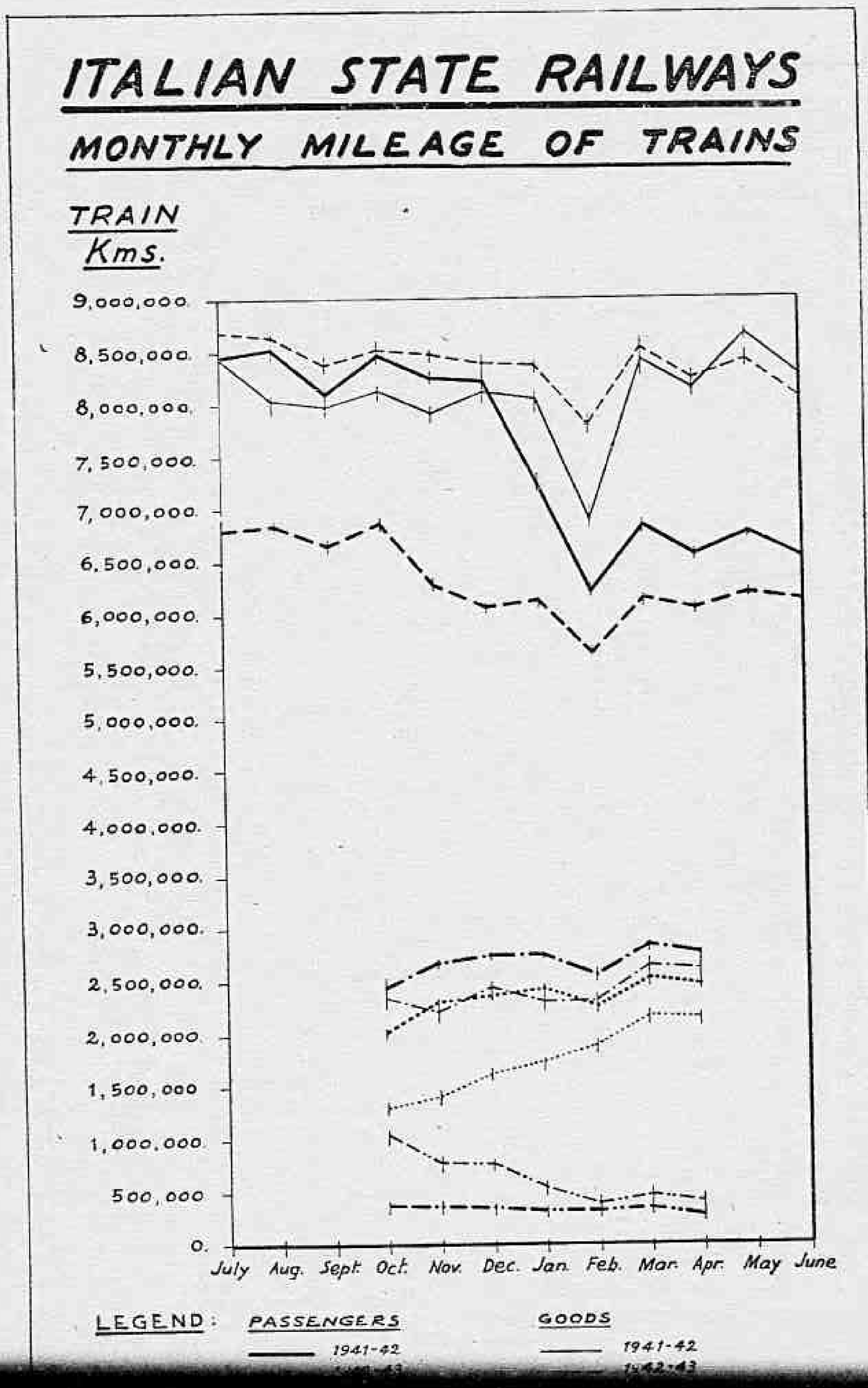
TABLE 3

# ITALIAN STATE RAILWAYS

## MONTHLY MILEAGE OF TRAINS

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1946
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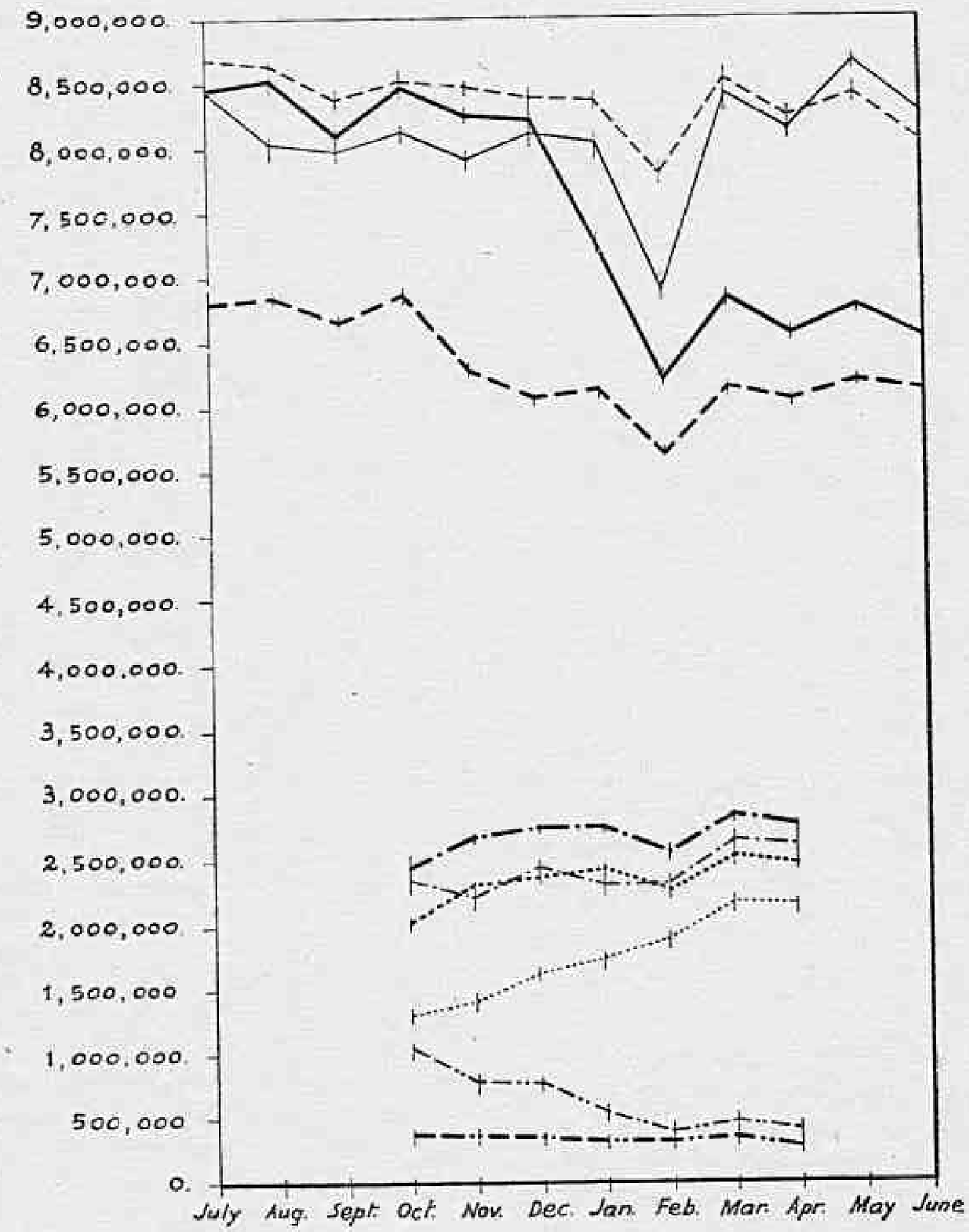
# MONTHLY MILEAGE OF TRAINS

TRAIN Kms.




LEGEND:

| PASSENGERS | | GOODS | |
|---|---|---|---|
| ——— | 1941-42 | ——— | 1941-42 |
| – – – | 1942-43 | – – – | 1942-43 |
| —·— | 1945-46 (Total) | —·— | 1945-46 (Total) |
| ····· | " " (Civilian) | ····· | " " (Civilian) |
| —··— | " " (Military) | —··— | " " (Military) |

DIVISION OF OPERATIONAL ANALYSIS

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1947

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TABLE 4

## Italian State Railways

LOCOMOTIVE SITUATION: 1939 AND 1946

| | | | As at 30th June 1939 | | As at 31st May 1946 | |
|---|---|---|---|---|---|---|
| | | | No. | | No. | No. |
| STEAM LOCOMOTIVES | IN SERVICE | For ordinary & extraordinary services | 2,178 | I. S. R. | 1,369 | 1,582 |
| | | | | Foreign | 213 | |
| | | For shunting | 411 | I. S. R. | 476 | 482 |
| | | | | Foreign | 6 | |
| | | Reserve | 1,102 | I. S. R. | 133 | 140 |
| | | | | Foreign | 7 | |
| | | TOTAL SERVICEABLE | 3,691 | | | 2,204 |
| | OUT OF SERVICE | Under repair or awaiting repair | 477 | I. S. R. | 1,780 | 1,914 |
| | | | | Foreign | 134 | |
| | | TOTAL AWAITING REPAIR | 477 | | | 1,914 |
| | | TOTAL STEAM | 4,168 | | | 4,118 |
| ELECTRIC LOCOMOTIVES | IN SERVICE | For ordinary & extraordinary services | 1,160 | I. S. R. | 822 | 849 |
| | | | | Foreign | 27 | |
| | | For shunting | 17 | I. S. R. | — | 5 |
| | | | | Foreign | 5 | |
| | | Reserve | 144 | — | — | — |
| | | TOTAL SERVICEABLE | 1,321 | | | 854 |
| | OUT OF SERVICE | Under repair or awaiting repair | 153 | I. S. R. | 819 | 841 |
| | | | | Foreign | 22 | |
| | | TOTAL ELECTRIC | 1,474 | | | 1,695 |
| RAIL MOTOR CARS | IN SERVICE | For ordinary & extraordinary services | 521 | | | 149 |
| | OUT OF SERVICE | Under repair or awaiting repair | 118 | | | 496 |
| | | TOTAL RAIL MOTOR CARS | 639 | | | 645 |

*Coaches.*

20. Passenger coaching stock total is approximately two thirds of that available pre-war, but the serviceable stock is less than one fourth of the 1939 figure. Reductions in speed have resulted in a further reduction of effective capacity to little more than 10 % of pre-war. The demand for passenger traffic is now even [illegible] because of the great reduction in rebuilding damaged coaches. The workshop facilities suffered much destruction, but the supply of repair materials is the major limiting factor in the rate of repair. Passenger coaches are not only in short supply but are, for the most part, ill equipped. Few coaches have windows, and some are without seats. All passenger trains are very crowded.

*Luggage and Mail Vans.*

1948
Declassified E.O. 12356 Section 3.3/NND No. 765015

| | | | No. | | No. | No. |
|---|---|---|---|---|---|---|
| STEAM LOCOMOTIVES | IN SERVICE | For ordinary & extraordinary services | 2,178 | I. S. R.<br>Foreign | 1,369<br>213 | 1,582 |
| | | For shunting . . . . . | 411 | I. S. R.<br>Foreign | 476<br>6 | 482 |
| | | Reserve . . . . . | 1,102 | I. S. R.<br>Foreign | 133<br>7 | 140 |
| | | TOTAL SERVICEABLE | 3,691 | | | 2,204 |
| | OUT OF SERVICE | Under repair or awaiting repair . | 477 | I. S. R.<br>Foreign | 1,780<br>134 | 1,914 |
| | | TOTAL AWAITING REPAIR | 477 | | | 1,914 |
| | | TOTAL STEAM | 4,168 | | | 4,118 |
| ELECTRIC LOCOMOTIVES | IN SERVICE | For ordinary & extraordinary services | 1,160 | I. S. R.<br>Foreign | 822<br>27 | 849 |
| | | For shunting . . . . . | 17 | I. S. R.<br>Foreign | —<br>5 | 5 |
| | | Reserve . . . . . | 144 | — | — | — |
| | | TOTAL SERVICEABLE | 1,321 | | | 854 |
| | OUT OF SERVICE | Under repair or awaiting repair . . | 153 | I. S. R.<br>Foreign | 819<br>22 | 841 |
| | | TOTAL ELECTRIC | 1,474 | | | 1,695 |
| RAIL MOTOR CARS | IN SERVICE | For ordinary & extraordinary services | 521 | | | 149 |
| | OUT OF SERVICE | Under repair or awaiting repair . | 118 | | | 496 |
| | | TOTAL RAIL MOTOR CARS | 639 | | | 645 |

*Coaches.*

20. Passenger coaching stock total is approximately two thirds of that available pre-war, but the serviceable stock is less than one fourth of the 1939 figure. Reductions in speed have resulted in a further reduction of effective capacity to little more than 10 % of pre-war. The demand for passenger traffic is now even greater than pre-war because of the great reduction in motor car availability (see para. 57) and because the widespread breakdown in commercial relationships in Italy has resulted in a revival of the old institution of the commercial traveller carrying his own wares. Stock "awaiting repair" numbers 3,709. Steady although slow, progress is being made in repairing and rebuilding damaged coaches. The workshop facilities suffered much destruction, but the supply of repair materials is the major limiting factor in the rate of repair. Passenger coaches are not only in short supply but are, for the most part, ill equipped. Few coaches have windows, and some are without seats. All passenger trains are very crowded.

*Luggage and Mail Vans.*

21. The total stock of luggage and mail vans has fallen by 30 %, and over half of the vans on hand are waiting repair. The repair situation is parallel to that for coaches (see para. 20). It is estimated that the demand for rail luggage and mail service is almost as great as pre-war.

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TABLE 5

## Italian State Railways

### ROLLING STOCK SITUATION 1939 & 1946

| TYPE ETC. | | 1939 | May 1946 | REPAIR POTENTIAL MONTHLY | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Heavy | Medium | Light | Total |
| Coaches in Service | I. S. R. | 6,350 | 1,374 | | | | | |
| | Foreign | | 99 | | | | | |
| Coaches Awaiting Repair (I. S. R.) | | 994 | 3,211 | | | | | |
| Coaches Awaiting Repair (Foreign) | | — | 498 | | | | | |
| | Totals | 7,344 | 5,182 | I. S. R. | 15 | 112 | 675 | 802 |
| Luggage & Mail Vans in Service (I. S. R.) | | 3,755 | 1,319 | Private Workshops | 10 | 75 | 65 | 150 |
| Luggage & Mail Vans in Service (Foreign) | | — | 181 | | | | | |
| Luggage & Mail Vans in Service Awaiting repair (ISR) | | 745 | 1,470 | Total | 25 | 187 | 740 | 952 |
| Luggage & Mail Vans in Service Awaiting Repair (Foreign) | | — | 132 | | | | | |
| | Totals | 4,500 | 3,102 | | | | | |
| Freight Cars (I. S. R.) | In Service | 125,956 (1) | 53,829 | I. S. R. | 68 | 875 | 9,630 | 10,573 |
| Freight Cars (Foreign) | In Service | — | 29,080 | | | | | |
| Awaiting repair (I. S. R.) | | 9,823 | 24,363 | Private Workshops | 380 | 590 | 285 | 1,255 |
| » » (Foreign) | | — | 16,495 | | | | | |
| | Totals | 135,779 (2) | 123,767 | Totals | 448 | 1,465 | 9,915 | 11,828 |

(1) This compares with 473,500 wagons owned by French National Railways and 630,300 by the German.
(2) Includes 52,600 covered wagons, 53,800 high-sided open, 14,700 low-sided open and flats and 5,500 special.

*Wagons - Freight.*

22. Freight wagons in service are now only 66 % of pre-war. Of these about 35 % are the property of other countries and are always in danger of being withdrawn. Although wagon-turn-round time has almost doubled, from six days pre-war to nearly 12 days at present, these cars are now carrying 70 % of pre-war freight, as a result of much heavier and more efficient loading of individual cars than was done pre-war.

*Wagon-Turn-Round.*

requires shunting of freight trains. The need for conserving short coal supplies has forced a reduction of locomotive speeds.

*Wagon Sheets* (Tarpaulins).

24. The Italian State Railways formerly owned and used 40,000 sheets, in 1946 only about 3,000 are in existence. Much traffic, which could be carried in open cars and sheeted, must now pass in box cars owing to this shortage. Steps are being taken to improve the supply of sheets from local resources.

1950
Declassified E.O. 12356 Section 3.3/NND No. 785015

| | | 1946 | | | | | |
|---|---|---|---|---|---|---|---|
| | I. S. R. | 6,350 | 1,374 | | | | |
| Coaches in Service | Foreign | | 99 | | Heavy | Medium | Light | Total |
| Coaches Awaiting Repair (I. S. R.) | | 994 | 3,211 | | | | |
| Coaches Awaiting Repair (Foreign) | | - | 498 | | | | |
| | Totals | 7,344 | 5,182 | I. S. R. | 15 | 112 | 675 | 802 |
| Luggage & Mail Vans in Service (I. S. R.) | | 3,755 | 1,319 | Private Workshops | 10 | 75 | 65 | 150 |
| Luggage & Mail Vans in Service (Foreign) | | — | 181 | | | | | |
| Luggage & Mail Vans in Service Awaiting repair (ISR) | | 745 | 1,470 | Total | 25 | 187 | 740 | 952 |
| Luggage & Mail Vans in Service Awaiting Repair (Foreign) | | — | 132 | | | | | |
| | Totals | 4,500 | 3,102 | | | | | |
| Freight Cars In Service (I. S. R.) | | 125,956 (1) | 53,829 | I. S. R. | 68 | 875 | 9,630 | 10,573 |
| Freight Cars In Service (Foreign) | | — | 29,080 | | | | | |
| Awaiting repair (I. S. R.) | | 9,823 | 24,363 | Private Workshops | 380 | 590 | 285 | 1,255 |
| » » (Foreign) | | — | 16,495 | | | | | |
| | Totals | 135,779 (2) | 123,767 | Totals | 448 | 1,465 | 9,915 | 11,828 |

(1) This compares with 473,500 wagons owned by French National Railways and 630,300 by the German.
(2) Includes 52,600 covered wagons, 53,800 high-sided open, 14,700 low-sided open and flats and 5,500 special.

*Wagons - Freight.*

22. Freight wagons in service are now only 66 % of pre-war. Of these about 35 % are the property of other countries and are always in danger of being withdrawn. Although wagon-turn-round time has almost doubled, from six days pre-war to nearly 12 days at present, these cars are now carrying 70 % of pre-war freight, as a result of much heavier and more efficient loading of individual cars than was done pre-war.

*Wagon-Turn-Round.*

23. The reasons for the increase in wagon-turn-round are various. Many pre-war double lines are single, many sidings and marshalling yards have had tracks removed for more urgent use elsewhere; long hauls by round-about routes have replaced direct runs, facilities for off-loading wagons have been impaired, and priority traffic requires shunting of freight trains. The need for conserving short coal supplies has forced a reduction of locomotive speeds.

*Wagon Sheets* (Tarpaulins).

24. The Italian State Railways formerly owned and used 40,000 sheets, in 1946 only about 3,000 are in existence. Much traffic, which could be carried in open cars and sheeted, must now pass in box cars owing to this shortage. Steps are being taken to improve the supply of sheets from local resources.

*Priority Traffic.*

25. The inadequate supply of freight cars has led the Italian State Railways to follow, to a certain extent, the civil traffic, the military "bidding" system. Under this system wagons are bespoken in advance by prospective loaders and a stringent priority system of essential traffic

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is enforced. This system, while effective in protecting the movement of vital commodities, is somewhat cumbersome and sometimes defeats its own object, since certain traffic, and particularly perishables, tends to move by other means. On the whole, however, there seems to be no reasonable alternative so long as loading must be controlled.

26. The current priority list for the supply of freight rail cars is as follows:

(a) Allied and Italian military transports.

(b) UNRRA transports.

(c) Empty wagons to be loaded at ports.

(d) Wheat, barley, corn, flour and other derivatives, powdered milk, condensed milk, coarse salt, oils and food greases.

(e) Meat, poultry and live game, fresh fish, milk and fresh dairy produce.

(f) Medicines and prophylactic material.

(g) Vegetables and orchard products when fresh, and perishables, salt-meats, dry cheeses, jams, canned food, salt fishes.

(h) Livestock for slaughtering, poultry and dead game, eggs.

(i) Sugar, cereals, vegetables and orchard products not included in precedent and respective paras. (d) and (g), vinegar.

(j) Monopoly items (excepting coarse salt) and raw material for their manufacture, salt for pastoral industry and for commercial use.

(k) Paper for newspapers, inks for printing, theatrical items, household implements.

(l) Chemical and natural fertilizers, seeds.

(m) Charcoal, fire-wood, lignites, pit coal and other combustibles, fuels.

(n) Non-edible oils and greases, lubricants in general; soaps, vaselines, chemical products (excluding those mentioned in para. (f), virgin olive husks.

(o) Mineral pyrites in general.

(p) Materials for building construction (priority to

(s) Wine and mineral waters in general.

(t) Goods in general, not included in precedent paragraphs.

*Note.* Empty containers must be included among the items that they are going to contain. If required by special temporary circumstances, some items, as for example fertilizers during the period of use, may be temporarily advanced in the priority list.

27. It will be noted that UNRRA traffic is given first priority among civilian goods handled by the Italian State Railways. No UNRRA goods have failed to move because of lack of transport, although at times inadequacy of freight cars has delayed the movement of UNRRA supplies.

28. During May, 1946, all traffic offered in priority categories (a) to (f), inclusive (military and UNRRA traffic, empties, cereals, dairy products, meat, coarse salt, edible fats and oils and salt), was handled by the railroads. 90 % of the bids for categories (g) to (j) inclusive, 80 % of category (k), and 60 % of categories (l) to (s), inclusive, were honored. Only 50 % of the bids for category (t), which includes all goods not comprised in the other 19 categories, were accepted.

29. The above percentages are somewhat misleading. It is doubtful for instance whether 10 % of the traffic in categories (g) to (j), inclusive, fails to move because of lack of freight cars. A tendency exists to overbid in those categories and experience has shown that not all bids accepted are in fact bona fide. On the other hand, it is undoubtedly true that some low priority traffic is not offered for movement because of the practical certainty that bids will not be accepted.

30. Thus the Italian State Railways are at present unable to meet all the demands for movement of freight. The departure of Allied military units will ease the situation somewhat. But only a large-scale rehabilitation program will enable the railroads to take care of the substantial increase of traffic that will accompany the economic revival of the country.

*Permanent Way.*

31. The pre-war length of railroad in Italy compared with other European countries is shown in the follow-

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be no reasonable alternative so long as loading must be controlled.

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(c) Empty wagons to be loaded at ports.

(d) Wheat, barley, corn, flour and other derivatives, powdered milk, condensed milk, coarse salt, oils and food greases.

(e) Meat, poultry and live game, fresh fish, milk and fresh dairy produce.

(f) Medicines and prophylactic material.

(g) Vegetables and orchard products when fresh, and perishables, salt-meats, dry cheeses, jams, canned food, salt fishes.

(h) Livestock for slaughtering, poultry and dead game, eggs.

(i) Sugar, cereals, vegetables and orchard products not included in precedent and respective paras. (d) and (g), vinegar.

(j) Monopoly items (excepting coarse salt) and raw material for their manufacture, salt for pastoral industry and for commercial use.

(k) Paper for newspapers, inks for printing, theatrical items, household implements.

(l) Chemical and natural fertilizers, seeds.

(m) Charcoal, fire-wood, lignites, pit coal and other combustibles, fuels.

(n) Non-edible oils and greases, lubricants in general, soaps, vaselines, chemical products (excluding those mentioned in para. (f), virgin olive husks.

(o) Mineral pyrites in general.

(p) Materials for building construction (priority to glass, lackings and tiles).

(q) Timber in general excluding fire-wood and wood for building construction.

(r) Machinery and raw materials needed for textile, chemical, metallurgical, naval and similar industries.

special temporary circumstances, some items, as for example fertilizers during the period of use, may be temporarily advanced in the priority list.

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*Permanent Way.*

31. The pre-war length of railroad in Italy compared with other European countries is shown in the following table. It should, of course, be borne in mind that while this gives an indication of the relative availability of rail transport in the countries concerned, an accurate picture could only be obtained by comparing also the physical quantity and quality of locomotives and rolling stock. Figures on this are not available.

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TABLE 6

Length of rail track in European countries (1934)

| Country | Length of line in use: Length | Length of line in use: Per sq. Km. of country | per 10,000 inhabitants |
|---|---|---|---|
| | Km. | Km. | Km. |
| Italy | 23,035 | 7.4 | 5.4 |
| Belgium | 10,252 | 33.7 | 12.4 |
| Bulgaria | 3,282 | 1.4 | 5.3 |
| Czechoslovakia | 13,017 | 9.9 | 9.2 |
| Denmark | 5,352 | 12.5 | 14.6 |
| Eire | 4,816 | 7.0 | 15.9 |
| Estonia | 1,447 | 3.0 | 12.8 |
| Finland | 5,829 | 1.5 | 16.4 |
| France | 64,620 | 11.7 | 15.4 |
| German Reich | 68,728 | 14.6 | 10.3 |
| Austria | 8,192 | 9.8 | 12.1 |
| Greece | 2,686 | 2.1 | 4.0 |
| Jugoslavia | 10,182 | 4.1 | 6.9 |
| Latvia | 3,093 | 4.7 | 15.9 |
| Lithuania | 1,794 | 3.4 | 7.2 |
| Luxembourg | 543 | 21.0 | 17.8 |
| Norway | 3,915 | 1.2 | 13.6 |
| Low Countries | 3,685 | 10.6 | 4.3 |
| Poland | 21,712 | 5.6 | 6.5 |
| Portugal | 3,439 | 3.7 | 4.8 |
| United Kingdom | 32,816 | 13.6 | 7.0 |
| Rumania | 11,920 | 4.0 | 6.3 |
| Spain | 16,319 | 3.2 | 6.6 |
| Sweden | 16,812 | 3.7 | 27.0 |
| Switzerland | 5,855 | 14.2 | 14.1 |
| Turkey * | 6,482 | 0.9 | 4.3 |
| Hungary * | 8,828 | 9.5 | 10.0 |
| USSR | 81,580 | 0.4 | 4.8 |

* 1933 figures.

Source: *Annuario Statistico Italiano*, Anno 1938.

32. The Italian State Railways' standard of pre-war maintenance was generally high. Road beds are well built and ballasted, and rails are of adequate section. Table 7 illustrates, somewhat superficially, this deterioration of the permanent way between 1939 and March 1946.

33. Although in Table 7 tracks and plants are recorded as being in service, not all tracks and facilities are even and bridges, usually of a temporary character. The urgent need for reconstruction of rail routes, essential for the movement of military supplies, led to heavy cannibalisation of tracks in sidings and on lines not considered essential to military operations. For instance, the whole of the line from Vairano to Isernia in central Italy was taken up and used elsewhere, the original rail-bed being used as a highway.

TABLE 7

Comparison of Italian State Railway Permanent way: 1939 and 1946

| | 1939 (a) Kilometers of track | 1946 (March) (a) Kilometers of track | Percentage reduction |
|---|---|---|---|
| | | | % |
| Steam Traction Lines Operating | 12,139 | 11,253 | 7.3 |
| Electric Traction Lines Operating | 4,841 | 3,571 | 26.2 |
| Total Length in Operations (1) | 16,980 | 14,824 | 12.6 |

(1) 4,500 kilometers were double tracked, mostly on main routes in north Italy.

| | 1939 (b) Bridges and tunnels | 1945 | Percentage reduction |
|---|---|---|---|
| | | | % |
| Iron Bridges Serviceable, Nos. | 3,275 | 3,155 | 3.7 |
| Masonry Bridges Serviceable, Nos. | 10,894 | 9,248 | 15.0 |
| Tunnels and Bridges Serviceable, Kms. | 919 | 889 | 3.3 |

34. Moreover, reconstruction was not based on the future requirements of Italian economy, but on the speed with which a given line could be placed in service, and often changing military conditions resulted in a line with a high economic priority being relegated to a lower position. Long stretches of track have been put to usages which pre-war conditions never required, and which post-war conditions do not warrant. The section between Taranto and Crotone and down to the toe of Italy was pressed into service because a high bridge at Gioia Tauro, on the mail line between Naples and Reggio Calabria (for Sicily) had been destroyed. This track is now completely worn out; the repair of the damaged bridge was afforded no military priority because its use would be almost entirely for civilian traffic. The old steam route between Naples and Rome via Frosinone, relieved by direct electrified route via Formia,

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| | | | |
|---|---|---|---|
| Italy | 23,035 | 7.4 | 5.4 |
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33. Although in Table 7 tracks and plants are recorded as being in service, not all tracks and facilities are even in fair condition. The war through Italy passed from the toe and heel to the Pisa-Rimini line: often the rail route ran through the only valley, and suffered accordingly. Apart from German destruction in the retreat and the effects of Allied bombing, the urgent necessity for the Allies was to re-establish means of rail transport. This resulted in the hasty reconstruction of tracks

the whole of the line from Vairano to Isernia in central Italy was taken up and used elsewhere, the original rail-bed being used as a highway.

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past summer, many of the bridges and tracks still in service must undergo permanent reconstruction before heavy traffic can be carried.

35. Tracks in the north did not perhaps suffer so much damage and cannibalization, because the nature of the surrender enabled some protection to be given. But the north is interspersed with rivers and practically every Po crossing was destroyed. Much of the precious double tracking is now single, and in many cases military construction resulted in the reconstructed track being placed in the centre to make full use of existing ballast. This means that double tracking cannot be laid without taking up the existing track, so that for months operational checks will continue on practically every main line where double tracking is in progress.

*Rail System Communications, Signalling and Telegraphs.*

36. The comparative position regarding communications as at 31 December 1935 and 1939 is shown in Table 8.

TABLE 8

Rail System Communications, Signalling and Telegraphs
(for general postal communications see Part Two)

| | 1939 | 1945 |
|---|---|---|
| Telegraph Lines K. M. S. | 50,600 | 35,190 |
| Serviceable Telegraph Points | 7,890 | 4,474 |
| Telephone Lines K. M. S. | 53,600 | 40,480 |
| Serviceable Telephone Points | 17,180 | 11,301 |
| Serviceable Automatic Block KMS | 399 | 58 |
| Semi-Automatic Blocks K.M.S. | 3,237 | 1,310 |
| Serviceable Block Points K.M.S. | 890 | 329 |

37. Before the war the Italian signalling and communication system had reached a high standard of efficiency. Based mainly on the British semaphore or color-aspect, it also included the European station block system, whereby all station area movements were under the control of one official. The general use of hydraulic and electric power for signalling had its post-war repercussions, noticeably at the many level crossings previously power-operated from signal cabins and now manually controlled locally. On many lines, station to station block working is necessary, and the absence of

*Goods carried by I. S. R.*

38. As an indication of the amount of goods traffic on the Italian railways, the total carried in the year ended 30 June 1939 was 54.4 million tons. For some main items of goods the figures were as follows:

| | 1938-39 Metric tons |
|---|---|
| Coal | 6,027,919 |
| Steel, pig-iron, etc. | 3,505,859 |
| Cement | 2,641,863 |
| Cereals | 2,156,014 |
| Phospates | 1,482,784 |
| Lignites | 1,402,961 |
| Coke | 1,323,034 |
| Pyrites | 1,223,167 |
| Timber (for construction) | 1,196,333 |
| Marble and stones | 982,231 |
| Wine (internal and export) | 820,721 |
| Foodstuffs | 680,517 |
| Sugar | 390,465 |
| Refractory earth | 372,916 |
| Dried fruit, vegetables, potatoes | 368,619 |
| Sand | 307,862 |
| Sugar beet | 273,197 |
| Carburants | 235,004 |
| Charcoal | 224,449 |
| Fuel wood | 217,744 |
| Sulphur | 206,503 |
| Oil, butter and fats | 168,219 |
| Olive husks for soap | 139,556 |
| Fertilizers (azotic) | 129,311 |
| Fruits and vegetables | 109,866 |
| Soda (Solvay Co.) | 81,460 |
| Chalk | 76,844 |

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surrender enabled some protection to be given. But the north is interspersed with rivers and practically every Po crossing was destroyed. Much of the precious double tracking is now single, and in many cases military construction resulted in the reconstructed track being placed in the centre to make full use of existing ballast. This means that double tracking cannot be laid without taking up the existing track, so that for months operational checks will continue on practically every main line where double tracking is in progress.

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37. Before the war the Italian signalling and communication system had reached a high standard of efficiency. Based mainly on the British semaphore or color-aspect, it also included the European station block system, whereby all station area movements were under the control of one official. The general use of hydraulic and electric power for signalling had its post-war repercussions, noticeably at the many level crossings previously power-operated from signal cabins and now manually controlled locally. On many lines, station to station block working is necessary, and the absence of adequate signalling and communications has reduced speeds and efficient operation control considerably. In such places as Rome, Naples, and the towns of the north, power operated points and signals have been restored as absolute essentials, but the shortage of colored glass will delay restoration of efficient signalling on many lines.

| | 1938-39 Metric tons |
|---|---|
| Coal | 6,027,919 |
| Steel, pig-iron, etc. | 3,505,859 |
| Cement | 2,641,863 |
| Cereals | 2,156,014 |
| Phosphates | 1,482,784 |
| Lignites | 1,402,961 |
| Coke | 1,323,034 |
| Pyrites | 1,223,167 |
| Timber (for construction) | 1,190,333 |
| Marble and stones | 982,231 |
| Wine (internal and export) | 820,721 |
| Foodstuffs | 680,517 |
| Sugar | 390,485 |
| Refractory earth | 372,916 |
| Dried fruit, vegetables, potatoes | 368,619 |
| Sand | 307,862 |
| Sugar beet | 273,197 |
| Carburants | 235,004 |
| Charcoal | 224,449 |
| Fuel wood | 217,744 |
| Sulphur | 206,503 |
| Oil, butter and fats | 168,219 |
| Olive husks for soap | 139,356 |
| Fertilizers (azotic) | 129,311 |
| Fruits and vegetables | 109,866 |
| Soda (Solvay Co.) | 81,460 |
| Chalk | 76,844 |
| Rags, jute, and cellulose | 57,810 |
| Salt | 27,191 |
| Fresh and frozen meat | 15,114 |
| Chemical fertilizers | 7,238 |

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## *RATES AND FARES*

39. (*a*) Rail fares for passengers have increased since 1938. They stand in 1946 at eight times the 1938 rates for first class travel and six times for second and third class travel. The comparison is as follows:

TABLE 9

Rail fares (in lire) for passengers: 1938 and 1946

| Distance in kilometers | 1938 | | | 1946 | | |
|---|---|---|---|---|---|---|
| | Class | | | Class | | |
| | 1st | 2nd | 3rd | 1st | 2nd | 3rd |
| 50 | 33 | 22 | 14 | 264 | 132 | 84 |
| 100 | 63 | 43 | 26 | 504 | 258 | 156 |
| 250 | 150 | 101 | 60 | 1,200 | 606 | 360 |
| 500 | 263 | 177 | 104 | 2,104 | 1,062 | 624 |
| 1000 | 417 | 280 | 165 | 3,336 | 1,680 | 990 |

(*b*) As regard goods, freight rates in 1946 are 9.6 times higher overall than the 1938 rates. The following table shows the rates for five important items of goods for a distance of 100 and 500 kilometers. A comparison is also made with the rates for these commodities in 1946 (1938 = 100).

TABLE 10

Railway goods rates (in lire per metric ton) for certain commodities: 1938 and 1946

| | 1938 | | 1946 | | Index showing 1946 increase over 1938 (1938 = 100) | |
|---|---|---|---|---|---|---|
| | Rates for | | Rates for | | Rates for | |
| | 100 Kms | 500 Kms | 100 Kms | 500 Kms | 100 Kms | 500 Kms |
| Wheat | 28.64 | 99.62 | 297.84 | 935.92 | 1,040 | 939 |
| Coal | 26.10 | 85.72 | 261.76 | 823.44 | 1,000 | 961 |
| Gasoline | 56.65 | 218.18 | 553.04 | 2,024.88 | 976 | 928 |
| Non-wrought iron in bars | 36.85 | 141.35 | 366.56 | 1,349.52 | 995 | 955 |
| Cement | 30.59 | 105.51 | 315.12 | 1,028.08 | 1,030 | 974 |

and 16,500 million lire in 1945-46. Furthermore, extraordinary expenditure (for reconstruction of lines, equipment and buildings destroyed or damaged on account of the war) amounted to 3,065 million lire in 1944-45 and 21,655 in 1945-46.

For the 1946-47 financial year the operational deficit is estimated at 6,000 million lire and the extraordinary expenditure for reconstruction purposes at 51,000 million lire.

## *PERSONNEL*

40. The following were the number of employees in the Italian State Railways in 1939 and 1946:

| | June 1939 | March 1946 |
|---|---|---|
| Regular employees | 119,312 | 111,841 |
| Temporary employees | 18,768 | 87,043 |
| TOTAL | 138,080 | 198,884 |

There are over 60,000 more employees than pre-war. This is in the main due to war contingencies, and the staff cannot perhaps be regarded as so efficiently trained as before the war. A reduction in the temporary staff is inevitable and it is understood that a decree to give effect to a reduction is being considered by the Ministry of Transport.

## *ELECTRIFICATION*

41. Between 1939 and 1943, electrification of the Italian State Railways was extended and the kilometrage operating by electric power increased from 4,841 to 5,600. This electrification covered the dense traffic areas and, although in 1939 only one-third of the total lines was electrified, these carried well over 50 % of all traffic. Apart from the systematic cutting and removal of overhead cables, many electrical installations and power plants suffered heavy damage. Before the war, electrification saved Italy an estimated 1,800,000 tons of coal per annum and the full resumption of the electric

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rison is as follows:

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Rail fares (in lire) for passengers: 1938 and 1946

| Distance in kilometers | 1938 | | | 1946 | | |
|---|---|---|---|---|---|---|
| | Class | | | Class | | |
| | 1st | 2nd | 3rd | 1st | 2nd | 3rd |
| 50 | 33 | 22 | 14 | 264 | 132 | 84 |
| 100 | 63 | 43 | 26 | 504 | 258 | 156 |
| 250 | 150 | 101 | 60 | 1,200 | 606 | 360 |
| 500 | 263 | 177 | 104 | 2,104 | 1,062 | 624 |
| 1000 | 417 | 280 | 165 | 3,336 | 1,680 | 990 |

(*b*) As regard goods, freight rates in 1946 are 9.6 times higher overall than the 1938 rates. The following table shows the rates for five important items of goods for a distance of 100 and 500 kilometers. A comparison is also made with the rates for these commodities in 1946 (1938=100).

TABLE 10

Railway goods rates (in lire per metric ton) for certain commodities: 1938 and 1946

| | 1938 | | 1946 | | Index showing 1946 increase over 1938 (1938 = 100) | |
|---|---|---|---|---|---|---|
| | Rates for | | Rates for | | Rates for | |
| | 100 Kms | 500 Kms | 100 Kms | 500 Kms | 100 Kms | 500 Kms |
| Wheat | 28.64 | 99.62 | 297.84 | 935.92 | 1,040 | 939 |
| Coal | 26.10 | 85.72 | 261.76 | 823.44 | 1,000 | 961 |
| Gasoline | 56.65 | 218.18 | 553.04 | 2,024.88 | 978 | 928 |
| Non-wrought iron in bars | 36.85 | 141.35 | 366.56 | 1,349.52 | 995 | 955 |
| Cement | 30.59 | 105.51 | 315.12 | 1,028.08 | 1,030 | 974 |

(*c*) These increases are substantially lower than the currency circulation increase (about 20 times over pre-war). The existing rates and fares are not economically sound and railways operations are a drain on the Italian Treasury. The operational deficit was 8,500 million lire in 1944-45 For the 1945-46 financial year [illegible] deficit is estimated at 6,000 million lire and the extraordinary expenditure for reconstruction purposes at 51,000 million lire.

## *PERSONNEL*

40. The following were the number of employees in the Italian State Railways in 1939 and 1946:

| | June 1939 | March 1946 |
|---|---|---|
| Regular employees . . . . . | 119,312 | 111,841 |
| Temporary employees . . . . | 18,768 | 87,043 |
| TOTAL . . | 138,080 | 198,884 |

There are over 60,000 more employees than pre-war. This is in the main due to war contingencies, and the staff cannot perhaps be regarded as so efficiently trained as before the war. A reduction in the temporary staff is inevitable and it is understood that a decree to give effect to a reduction is being considered by the Ministry of Transport.

## *ELECTRIFICATION*

41. Between 1939 and 1943, electrification of the Italian State Railways was extended and the kilometrage operating by electric power increased from 4,841 to 5,600. This electrification covered the dense traffic areas and, although in 1939 only one-third of the total lines was electrified, these carried well over 50 % of all traffic. Apart from the systematic cutting and removal of overhead cables, many electrical installations and power plants suffered heavy damage. Before the war, electrification saved Italy an estimated 1,800,000 tons of coal per annum and the full resumption of the electric traction will, therefore, be of great economic importance. The chief delay in re-electrification is the shortage of transformers and rectifiers and damage to sub-stations, together with a scarcity of copper.

42. The following note illustrates the economic interrelation of electrification and coal supply:

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TABLE 11

1960
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1961

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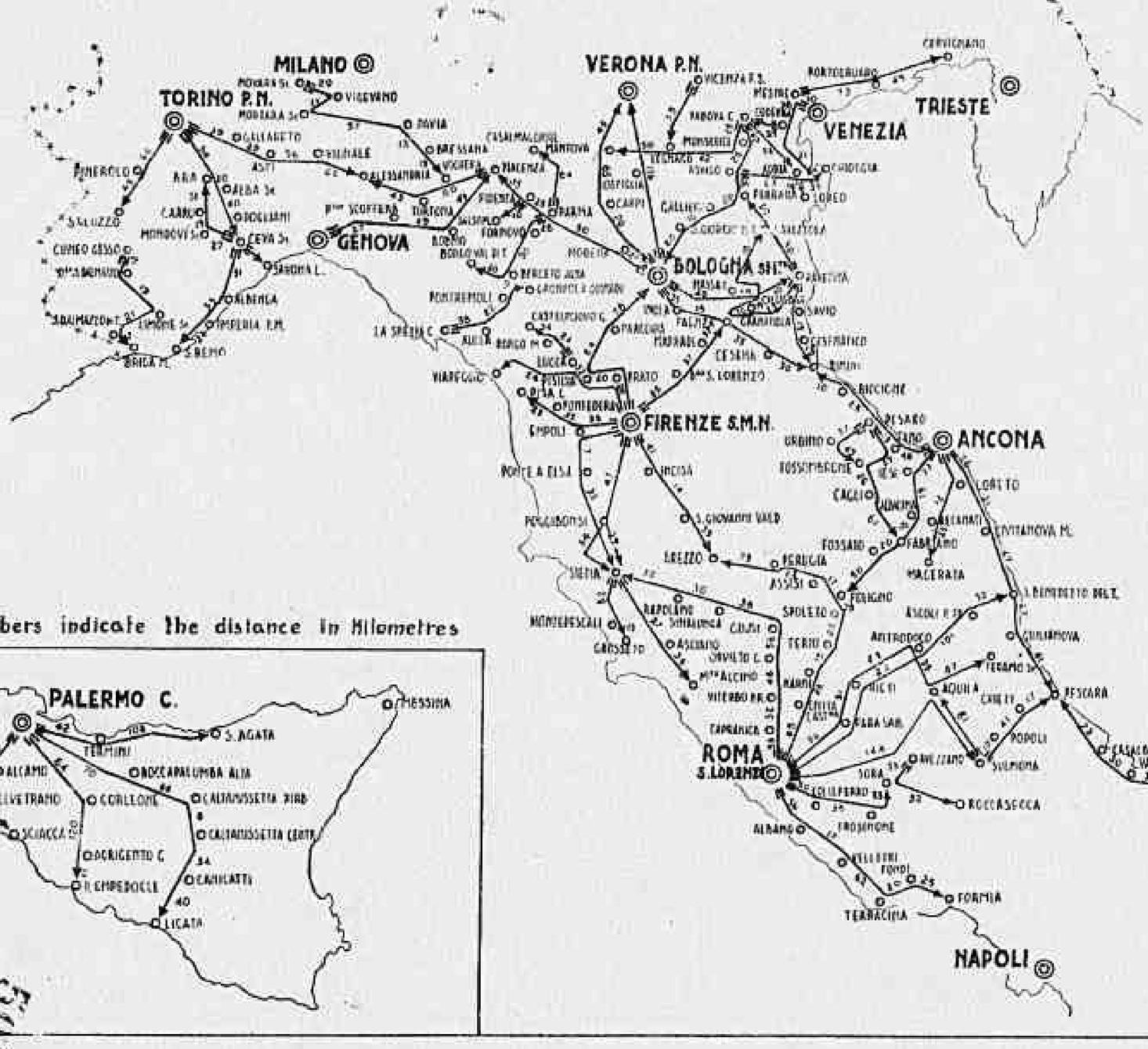
# ROADS IN ITALY ON WHICH THE ITALIAN STATE RAILWAYS HAD A ROAD TRUCK SERVICE FOR GOODS IN MAY 1946



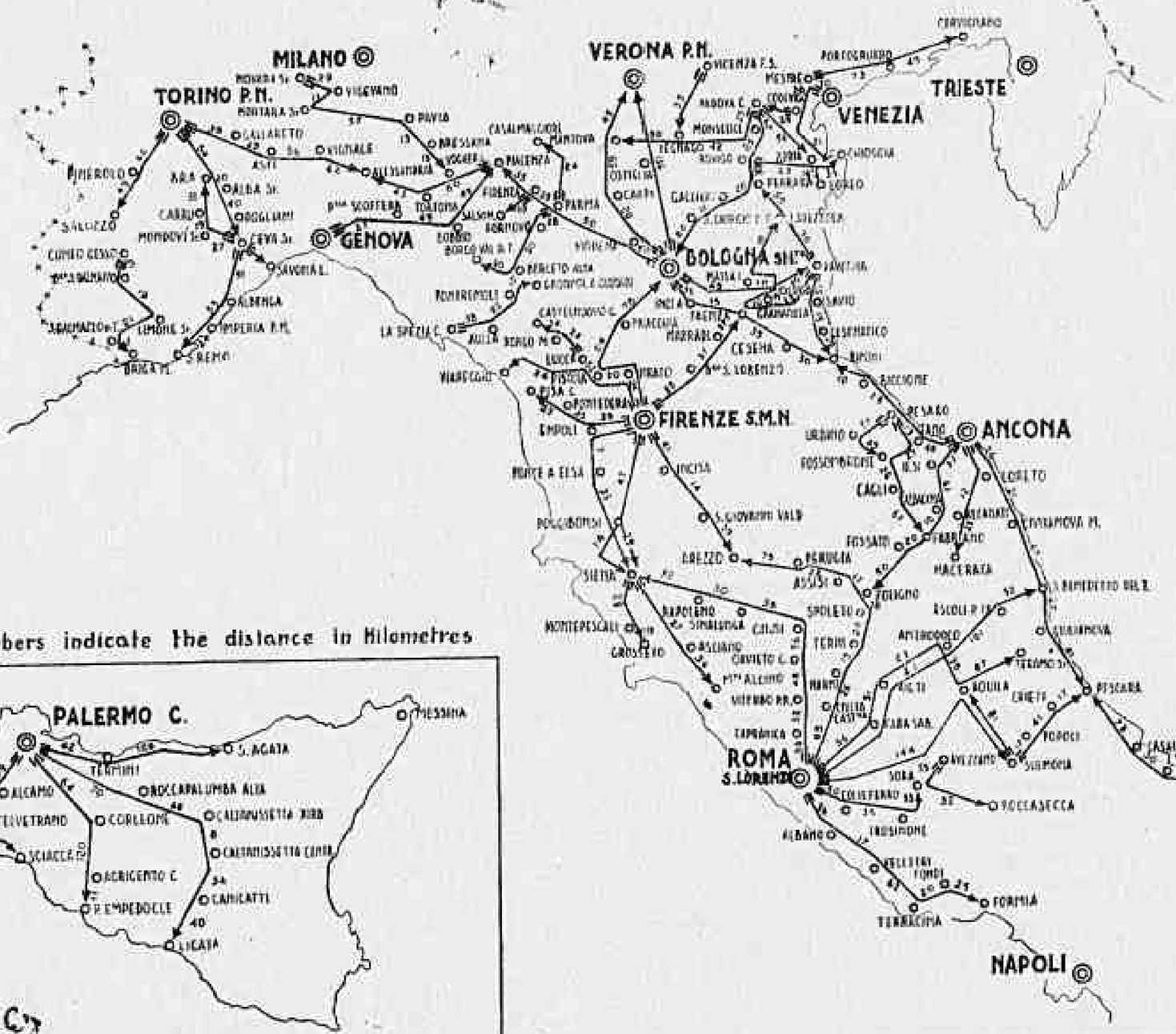

The numbers indicate the distance in Kilometres

8613

1962

Declassified E.O. 12356 Section 3.3/NND No. 785015

# ROADS IN ITALY ON WHICH THE ITALIAN STATE RAILWAYS HAD A ROAD TRUCK SERVICE FOR GOODS IN MAY 1946




The numbers indicate the distance in Kilometres

8/13

1963

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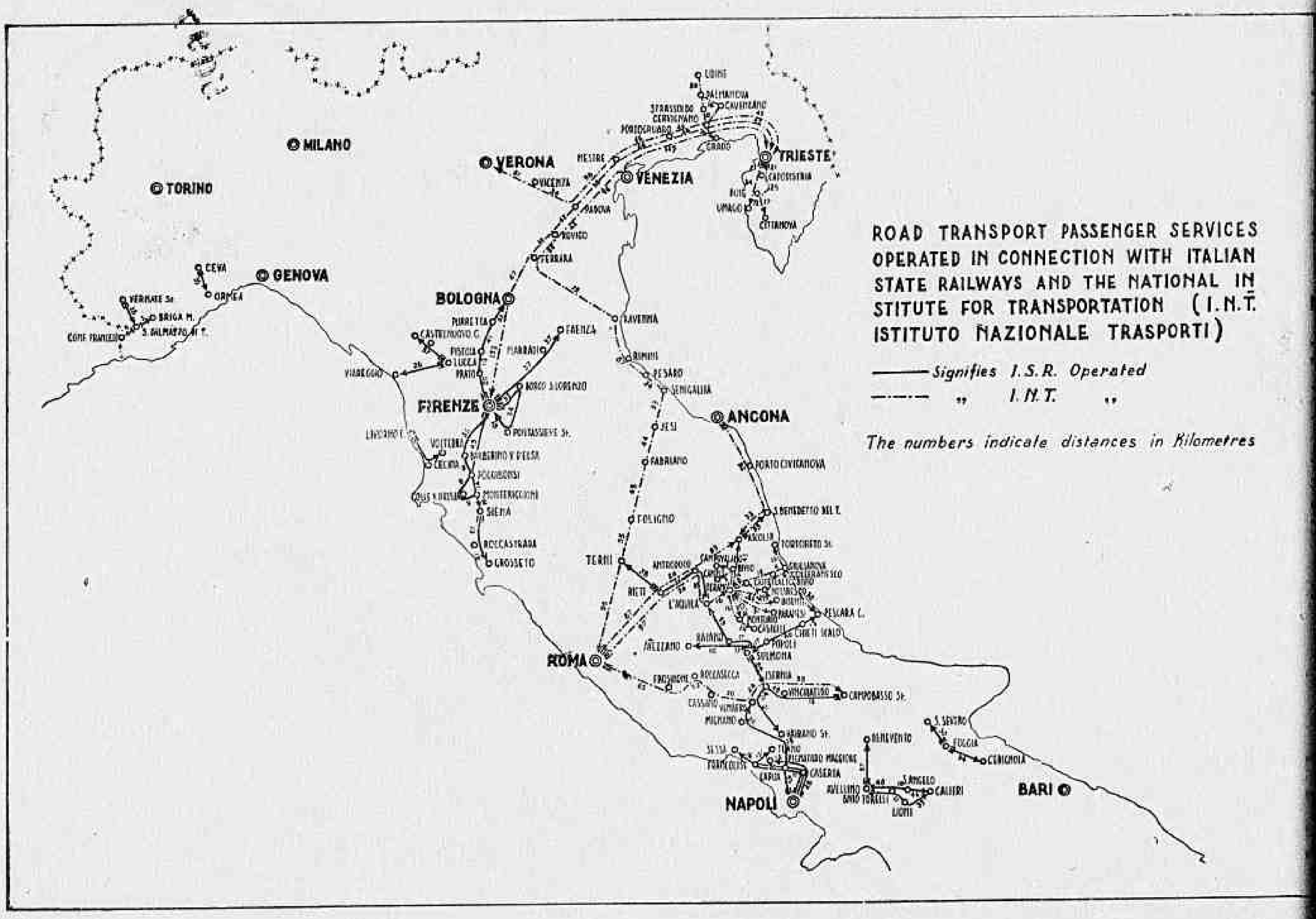
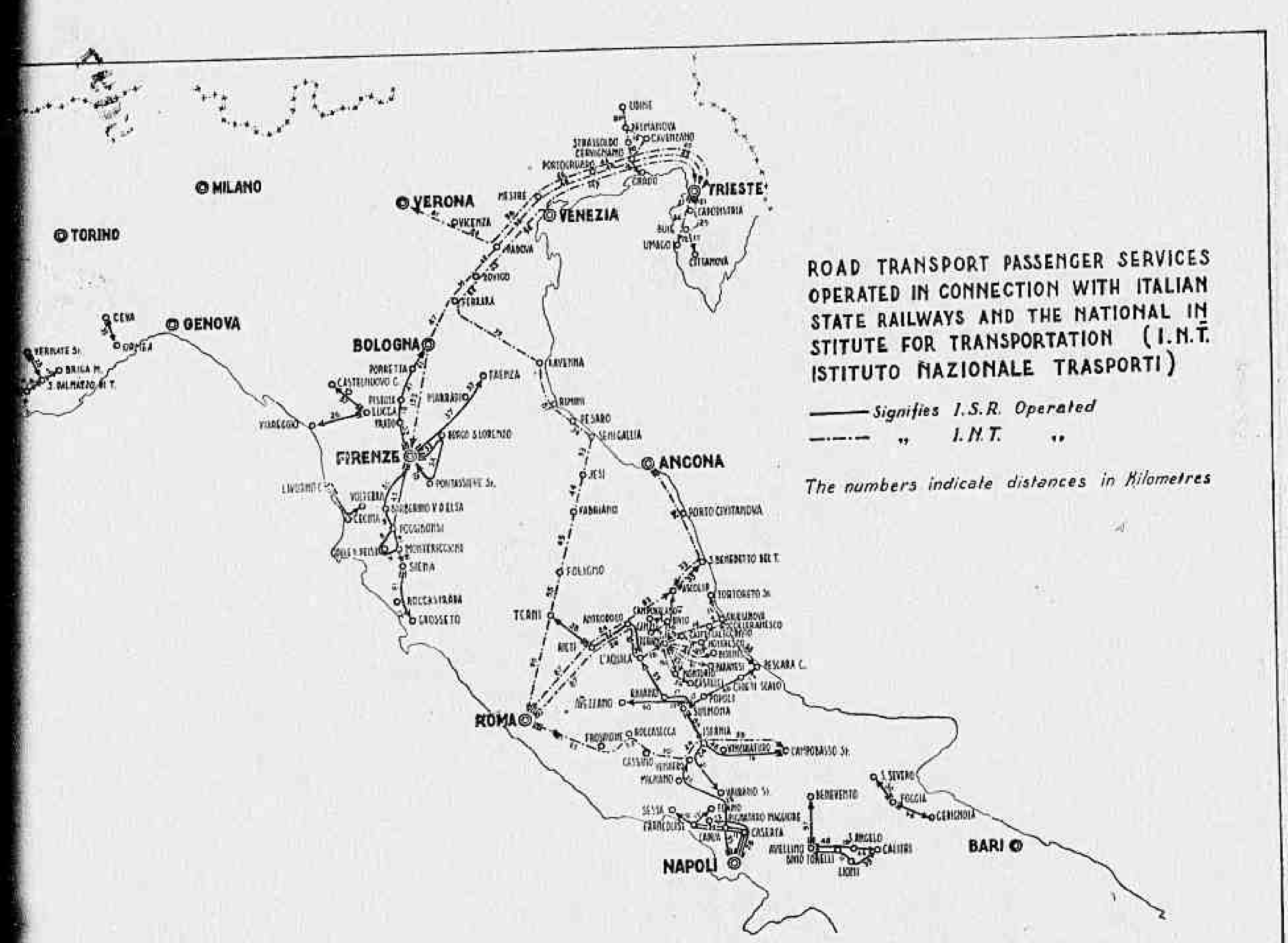


1964

Declassified E.O. 12356 Section 3.3/NND No. 785015






ROAD TRANSPORT PASSENGER SERVICES OPERATED IN CONNECTION WITH ITALIAN STATE RAILWAYS AND THE NATIONAL INSTITUTE FOR TRANSPORTATION (I.N.T. ISTITUTO NAZIONALE TRASPORTI)

——— *Signifies I.S.R. Operated*

—·—·— „ *I.N.T.* „

*The numbers indicate distances in Kilometres*

TABLE 19

## *Study of the Effect of Railway Electrification on Coal Consumption and on requirements of copper.*

(a) Copper required to electrify 1 kilometre of railway (single line):—

| | *Kgs.* |
|---|---|
| 1 Km. of main line | 3,600 |
| 1 ,, ,, sidings | 2,300 |

For 1 kilometre of track the following is the average requirement:—

| | *Kgs.* |
|---|---|
| 1 Km. of main line | 3,600 |
| 0.4 ,, ,, sidings | 1,000 |
| 0.2 ,, ,, feeders in stations | 400 |
| TOTAL | 5,000 |

Thus, for every kilometre of single track electrified, 5 tons of copper are required.

(b) It is not possible to correlate the amount of copper required for high tension lines to kilometres of track as these do not always follow the railway.

(c) The high tension lines are in fairly good condition and are chiefly made of steel aluminium, which can be made in Italy.

(d) Coal consumption on the I.S.R. for the year 1941-42 was as follows:—

| | *Tons* |
|---|---|
| Main line running | 2,061,026 |
| Shunting | 333,058 |
| TOTAL | 2,394,084 |

which is equivalent to 26.73 kgs. per train kilometre.

(e) The coal consumption naturally varies over each section of the line due to the density of the traffic and the grade of the line.

(f) The average weight of steam hauled trains per locomotive was 382 tons.

(g) Total kilometres of track (including double line) steam operated is 11,400 Kms.
Total train kilometres (steam) run during 1941-42 was 89,561,539 (steam hauled).
This gives a traffic density of 7,856 trains yearly or 215 daily per kilometre of track.

(h) The average weight of electrically hauled trains is 391 tons per locomotive (i.e. 89 tons more than steam hauled trains).
Total train kilometres (electric) run in 1941-42 was 89,444,486.
Total length of track operated electrically 5,403 kilometres.
This gives traffic density of 16,554 trains yearly or 45 trains daily per kilometre of track.

(i) The importation of 1,000 tons of copper will electrify 200 Kms. of track and thus save the running of 1,571,200 steam train Kms. each train Km. requires 26.73 Kgs. of coal.

## *I.S.R. Reconstruction Plans.*

43. The Italian State Railways have prepared a comprehensive plan for reconstruction, divided into five parts: (a) lines and stations, (b) electric services, (c) signal and safety installations, (d) rolling stock and repair shops, and (e) warehouse supplies. Each is divided into four phases, with the exception of that for signal and safety installations which is divided into five phases. The whole program is designed to be carried through in 10 years.

(a) *Line and Station Reconstruction.*

The phases in the plan are as follows:

*Phase I*: The main north-south and east-west lines, those serving the principal maritime ports and those to other countries. These lines carried 68 % of pre-war traffic. This phase also includes the larger passenger and goods stations and frontier stations.

*Phase II*: Less important main lines which carried 25 % of pre-war traffic.

*Phase III*: The lines of more local character which connect the country towns with provincial capitals.

*Phase IV*: The remainder of the system.

(b) *Electric Services.*

The phases in the plan proposed are:

*Phase I*: Hydro electric power stations and circuits (but at this stage without the duplication of wiring necessary for absolute reliability) and the most important lines. In this and the latter phases priority will be governed by the necessity to repair first those lines which have heavy gradients and long tunnels, balancing this with the desirability of early repair of the lines which have suffered the least damage.

*Phases II-IV*: The secondary main lines to the least important lines as in the case of line and station reconstruction.

(c) *Signal and Safety Installations.*

These installations are phased according to their degree of first importance, e.g. telegraph and train control, or of less importance, e.g. those which are not indispensable, but the use of which gives better service. The importance of the lines or station which they serve is also taken into account.

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| | *Kgs.* |
|---|---|
| 1 Km. of main line | 3,600 |
| 1 " " sidings | 2,300 |

For 1 kilometre of track the following is the average requirement :—

| | *Kgs.* |
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| 1 Km. of main line | 3,600 |
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Thus, for every kilometre of single track electrified, 5 tons of copper are required.

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| Main line running | 2,061,026 |
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which is equivalent to 26.73 kgs. per train kilometre.

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(i) The importation of 1,000 tons of copper will electrify 200 Kms. of track and thus save the running of 1,571,200 steam train Kms. each train Km. requires 26.73 Kgs. of coal.
There is thus normally a saving of 42,000 tons of coal.

(j) The figure of 42,000 tons is also obtained by taking the total consumption of coal at 2,394,684 tons for 11,400 kilometres of track which gives 210 tons per kilometre or 42,000 for 200 kilometres.

(k) This saving is of course based on the assumption that the electric current will be obtained from hydro-electric plants.

signal and safety installations, (d) rolling stock and repair shops, and (e) warehouse supplies. Each is divided into four phases, with the exception of that for signal and safety installations which is divided into five phases. The whole program is designed to be carried through in 10 years.

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(d) *Rolling Stock and Repair Shops.*

Locomotives, both electric and steam, and all types of freight and passenger stock are phased for reconstruction in accordance with the importance and estimated requirements of traffic. This part of the program



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includes phased plans for the reconstruction of 18 locomotive and wagon repair shops, the provision or repair of machinery and equipment for 64 shops and of tools for 80 shops.

(e) *Warehouse Supplies.*

This program is based on the regaining of the 1939 position, and proposes that stocks of machinery, timber, etc., shall be at the 1939 level at the end of Phase III, when fuel stocks will be 85 % complete. Stocks of fuel are to be completed at the end of Phase IV.

## *PRIVATE RAILWAYS*

### *General.*

**44.** The correct title for private railways in Italy is "Railways in Concession from the State to Private Industry," for few are privately owned. They are in fact railways operated by private concerns, totally or in part on their own permanent way, for transportation of passengers and freight. The construction and operation are a concession from the State, usually for a period of 70 years. At the end of the concession the State becomes owner of the lines, fixed plant and equipment, and may purchase rolling stock and other movable equipment. These lines are in the main efficient in operation and direction, serving areas which would otherwise be limited in transportation facilities. Some of them tackle considerable gradients and serve as feeders to the I.S.R., such as the Spoleto-Norcia electrified narrow gauge line which serves the fertile valley of the river Nera, bringing produce and passengers to the I.S.R. line at Spoleto. Others are competitive, to some degree, as the Rome-Nord between Rome and Viterbo, whilst others, such as the heavily patronised Rome-Ostia Lido service, have opened new ground and secured much traffic.

### *Organisation.*

**45.** For administrative purposes, the country is divided into 18 Compartimenti (including Sicily and Sardinia) in each of which is a branch office of the Ispettorato Generale della Motorizzazione Civile e dei Trasporti in Concessione (Inspector General of Civil Motor Transport and of Transport Concessions). The Ispettorato Generale Headquarters is a sub-section of the Ministry of Transport and it is directly concerned with attached to tickets sold or by other payments, but in few cases does the return equal the subsidy.

### *Management.*

**47.** Many of these lines are operated locally by a manager, but controlled by a holding concern with a head office elsewhere. For instance, the Società Italiana Strade Ferrate del Mediterraneo (Italian Mediterranean Railway) with Head Office in Rome, is the holding body for 14 companies operating in southern Italy, many of which are not connected physically.

### *Reconstruction.*

**48.** The Sud-Est system in the heel of Italy was the only private line of military importance. Lack of military importance prejudiced repair facilities of other lines. They were in the main left to their own devices, and have been hard pressed in securing materials for reconstruction. Private railways in the battle areas, such as Bologna, Siena and on the East Coast received heavy damage, but many of them have been able to arrange temporary repairs for parts of their systems. Wood fuel is often used where steam traction is employed.

**49.** In October 1944, Decree 346 was published giving private railways the opportunity of borrowing State money for reconstruction purposes. The loan terms required a stringent submission of details of damage and included a form of mortgage on rolling stock. This applied to Italian Government controlled territory only and did not include the area covered by the Allied Military Government, but by a further Decree of 8 January 1946, i.e. immediately after the northern provinces had been returned to Italian Government control, provision was made for similar facilities in the north with the exception of the province of Udine and of Venezia Giulia. The total amounts advanced to March 1946 in central and southern Italy were 258,941,038 lire.

## *EXTRA-URBAN-TRAMWAYS*

**50.** Italy has developed an extra-urban form of rail transport, which is also "in concession" and under control of the Ispettorato Generale della Motorizzazione Civile e Trasporti in Concessione. The lines run alongside ordinary highways for almost their entire length. Their service is public for freight and passengers. They [illegible] and operated in concession from the

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### *Financial Structure.*

46. There is a State subsidy to such railways, based on an agreed sum per worked kilometre, and in most cases a return to the State is made through taxed stamps

47. Many of these lines are operated locally by a manager, but controlled by a holding concern with a head office elsewhere. For instance, the Società Italiana Strade Ferrate del Mediterraneo (Italian Mediterranean Railway) with Head Office in Rome, is the holding body for 14 companies operating in southern Italy, many of which are not connected physically.

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are drawn up whereby the owner of the line must remove all fixed plant and equipment—which remain his property, as does all rolling stock. State supervision is maintained over construction, safety of operation, fares, timings, etc. The exact definition of a line as a railway or tramway is made at the time concessions are granted.

51. There are 114 standard gauge and 51 narrow gauge extra-urban tramway systems in Italy, totalling 678,259 km. of steam traction and 1,537,942 of electric traction. They link many villages and outlying areas with market or larger towns, and often run for considerable distances. In some cases railways and extra-urban tramways are combined to provide a further length of through traffic. In central areas considerable damage occurred during the war, but the light nature of the tracks has in the main permitted partial resumption of services on restricted power with limited vehicles.

## *TRANSPORTATION - ROAD*
*(See Road Map-Table 11)*

### *General.*

52. Italy had in 1939, 178,281 Km. of roads as follows:—

| | *Km.* | |
|---|---|---|
| State roads | 21,340 | (main trunk roads) |
| Provincial routes | 41,493 | (secondary roads) |
| Communal roads | 115,448 | (secondary roads) |

Italy has 1 Km. of roads for about half a square Km. of land surface. The road system of Italy is well constructed and developed and the whole system is in use. The road communications in the North are better than in the South. There are main two-way roads which cross the Alps (i) from Switzerland at Simplon, (ii) from France at Ventimiglia and Modane; (iii) from Austria at the Brenner Pass.

53. The road transport available in Italy for the movement of goods is comparatively satifactory. This is true particularly for the number of load carrying vehicles and tonnage lift available. Facilities are at present above requirements and it is anticipated that this condition will continue indefinitely until the surplus is absorbed by the development of an export market for Italian trucks and the normal replacement and junking of less efficient units.

54. The map in Table 12 indicates the roads on which the Italian State Railways have motor-truck services for goods. These serve as an auxiliary and feeder to the railway service. The road service was initiated in 1939 and was substantially increased in 1945 when a large number of motor-trucks provided by the Allied Commission was received. These additional trucks were also used as substitutes for rail services interrupted as a result of war damage.

The map in Table 13 shows the regular road passenger services maintained by road motor vehicles operated by the Italian State Railways and the National Transportation Institute (I.N.I. - Istituto Nazionale Trasporti) which is associated with the Italian State Railways. These services serve as an auxiliary to the rail passenger service.

### Load - Carrying Road Vehicles

TABLE 14

| Classes of Vehicles | Number of Vehicles | | Increase or Decrease | | Carrying Capacity in Quintals (2) | | Increase or Decrease | |
|---|---|---|---|---|---|---|---|---|
| | 1939 | 1946 | No. | Percentage | 1939 | 1946 | Quintals | Percentage |
| (*a*) IN OPERATION | | | | | | | | |
| Less than 20 quintals . . . | 55,514 | 68,118 | + 12,604 | + 22 | 480,751 | 609,385 | + 128,634 | + 27 |
| 20 to 40 quintals . . . | 20,897 | 25,014 | + 4,117 | + 19 | 663,897 | 763,697 | + 99,800 | + 15 |
| Over 40 quintals . . . | 13,182 | 12,514 | — 668 | — 5 | 775,102 | 743,800 | — 31,302 | — 4 |
| (*b*) HELD BY A.R.A.R. (Azienda Rilievo Alienazioni Residuati) (1) | | | | | | | | |
| tonnage | — | 10,000 | + 10,000 | | — | 200,200 | + 200,200 | |

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as a railway or tramway is made at the time concessions are granted.

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| 20 to 40 quintals . . . | 20,897 | 25,014 | + 4,117 | + 19 | 663,897 | 763,697 | + 99,800 | + 15 |
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| (*b*) HELD BY A.R.A.R. (Azienda Rilievo Alienazioni Residuati) (1) | | | | | | | | |
| ITALIAN MAKE — tonnage | — | 10,000 | + 10,000 | | — | 200,200 | + 200,200 | |
| ALLIED MAKE — breakdown not available | — | 13,020 | + 13,020 | — | — | 160,406 | + 160,406 | |
| TOTAL | 89,593 | 128,666 | + 39,073 | + 44 | 1,919,750 | 2,477,488 | + 557,738 | + 29 |

(1) Italian government agency for reception and disposal of allied military surplus.
(2) One quintal is one-tenth of metric ton.

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55. Table 14 shows by tonnage capacity groups, the comparative truck figures for 1939 and 1945. As is evident both total number and total carrying capacity are considerably higher at present than in 1939. More specifically, the census of light and medium trucks shows a substantial increase both in number and capacity while heavy truck availability has declined. Gains in light trucks are due mainly to the transformation of a large number of passenger cars into load-carrying vehicles.

56. Low maintenance and efficiency levels of the operating units constituting the vehicle census modify the generally favourable impression, since high operating costs do, to some extent, limit the utilization. This, however, is a temporary situation since more efficient vehicles are now being offered for sale than the market will absorb.

57. In contrast, passenger cars and buses on public services have undergone a heavy reduction in comparison with pre-war figures and are in very short supply. The general level of operating efficiency in these categories is extremely low. New units and replacements required, both in complete vehicles and part assemblies, will provide an expanding market for several years.

58. POL supply provided by UNRRA imports is, on the whole, in reasonable accord with transport requirements for essential commodity hauling. The ostensible deficiency in allocations to private cars and bus routes must to a great extent be made up by illegal diversions of fuel from other consignees, the net result being passenger circulation which appears to be in excess of essential needs.

*Load-Carrying Vehicles.*

59. The situation as regards load carrying vehicles is as follows:

| | No. |
|---|---|
| In circulation 1939 . . . . . | 89,593 |
| In circulation 1946 . . . . . | 105,646 |
| Available but not in circulation - 1946 . . | 23,020 |
| Total load carrying potential - 1946 . . . | 128,666 |

60. Table 15 shows the number and carrying capacity of load carriers as at 31 March 1946. Figures include

TABLE 15

Road vehicles: Number and carrying capacity
31 March 1946

| | Number | Carrying Capacity Quintals |
|---|---|---|
| (*a*) IN OPERATION | | |
| Gasoline trucks . . . . . | 72,598 | 1,024,565 |
| Diesel trucks . . . . . | 17,037 | 750,680 |
| Other systems (Methane, producer gas) . . . . . | 16,011 | 341,637 |
| TOTAL | 105,646 | 2,116,882 |
| (*b*) HELD BY ARAR | | |
| Italian trucks . . . . . | 10,000 | 200,200 |
| Allied trucks . . . . . | 13,020 | 160,406 |
| GRAND TOTAL | 128,666 | 2,477,488 |

*Passenger Cars and Buses.*

61. The passenger car position pre-war and in 1946 is as follows:

| | |
|---|---|
| Passenger cars 1939 . . . . . | 287,962 |
| Passenger cars 1946 . . . . . | 97,709 |

62. 53,195 permanent circulation permits (of three months' validity) were issued in the first quarter of 1946 to private owners. The balance of passenger cars is covered by (a) official Government permits, (b) temporary permits (normally of 10 day's validity or less), and (c) cars that are in illegal circulation. As a result of inadequate road controls a large number fall into category (c).

63. The number of buses operating on regular passenger lines was 6,928 in 1939 and 3,830 in 1946. Of the latter 1,803 were run on gasoline, 1,727 on diesel oil and 300 on methane or producer gas.

*Motor-Cycle Trucks.*

64. There were approximately the same number of motor cycle trucks in 1946 as pre-war. The numbers were: 1939, 12,960; 1946, 12,237.

*Trailers.*

65. The number of trailers has increased from 7,418

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heavy truck availability has declined. Gains in light trucks are due mainly to the transformation of a large number of passenger cars into load-carrying vehicles.

56. Low maintenance and efficiency levels of the operating units constituting the vehicle census modify the generally favourable impression, since high operating costs do, to some extent, limit the utilization. This, however, is a temporary situation since more efficient vehicles are now being offered for sale than the market will absorb.

57. In contrast, passenger cars and buses on public services have undergone a heavy reduction in comparison with pre-war figures and are in very short supply. The general level of operating efficiency in these categories is extremely low. New units and replacements required, both in complete vehicles and part assemblies, will provide an expanding market for several years.

58. POL supply provided by UNRRA imports is, on the whole, in reasonable accord with transport requirements for essential commodity hauling. The ostensible deficiency in allocations to private cars and bus routes must to a great extent be made up by illegal diversions of fuel from other consignees, the net result being passenger circulation which appears to be in excess of essential needs.

*Load-Carrying Vehicles.*

59. The situation as regards load carrying vehicles is as follows:

| | No. |
|---|---|
| In circulation 1939 . . . . . | 89,593 |
| In circulation 1946 . . . . . | 105,646 |
| Available but not in circulation - 1946 . . | 23,020 |
| Total load carrying potential - 1946 . . . | 128,666 |

60. Table 15 shows the number and carrying capacity of load carriers as at 31 March 1946. Figures include vehicles owned by private trucking firms, as registered by Ente Nazionale Autotrasporti Cose (E.N.A.C.), those operated by Government Agencies such as the Italian State Railways and the Ministry of Transport, and vehicles held by the Italian Government originating from Allied military surplus and captured enemy material.

| | Number | Capacity Quintals |
|---|---|---|
| (*a*) IN OPERATION | | |
| Gasoline trucks . . . . . | 72,598 | 1,024,565 |
| Diesel trucks . . . . . | 17,037 | 750,680 |
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| Italian trucks . . . . . | 10,000 | 200,200 |
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| GRAND TOTAL | 128,666 | 2,477,488 |

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*Motor-Cycle Trucks.*

64. There were approximately the same number of motor cycle trucks in 1946 as pre-war. The numbers were: 1939, 12,960; 1946, 12,237.

*Trailers.*

65. The number of trailers has increased from 7,418 in 1939 to 9,067 in 1946.

*Motor Cycles and Bicycles.*

66. There is a sharp fall in the number of motor cycles on the road as compared with pre-war. The figures are: 1939, 149,490; 1946, 40,648. (The number of bicycles in use in Italy in 1938 was 5 million.)

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*Prime Movers.*

67. The number of prime movers in 1946 is 1,100. No corresponding figures are available for 1939.

*Tires.*

68. The overall tire situation in Italy is bad, particularly in large truck sizes such as 38 × 9, 42 × 9, 10.50 × 24 and small passenger car sizes. Shortages in these groups are especially critical, because these are not standard American and British sizes and are on limited production in the U.S. and U.K. Sizes within the range of tires which were standard equipment in American and British Armies are available in sufficient numbers in Italy, although distribution and allocation difficulties have prevented a satisfactory spread of stocks on hand.

69. Tube deficiency is much more critical than tire deficiency, since the shortages extend throughout the entire size range. The solution to the tire and tube problems is the importation of sufficient quantities of raw materials to enable Italian manufacturers to produce the complete range of sizes required by the vehicles in operation in Italy.

70. *Import of Tires.* The UNRRA program for 1946 includes the provision of raw materials for manufacture of tires in Italian factories but does not call for importation of the completed product.

71. A direct order from the Italian Government for 26,000 motor-truck tires, commissioned in the United States, has been delivered in part (11,500). These are being distributed by the Italian Government through the Ministries of Industry and Commerce and of Transport.

72. *Military Surplus of Tires.* Surpluses from Allied military sources are being transferred to the Italian Government through its receiving agency, A.R.A.R. (Azienda Rilievo Alienazioni Residuati). A.R.A.R. had in mid-1946 disposed of 37,000 tires of all sizes and expects to take over about 316,000 more. Sizes expected are mainly 10.50 × 20, 10.50 × 16, 7.50 × 20 and 6.00 × 16. These tires will all have to be inspected, categorized and in many cases repaired prior to release for distribution.

73. *Indigenous Production.* Production by local tire manufacturers is dependent upon the reception of raw materials (1). The UNRRA program of imports for 1946 covers all materials required to utilize existing plant

*Spare Parts.*

74. Spare parts stocks for trucks and cars of Italian make are improving both in availability and pricing. No serious difficulties are encountered in obtaining spares, although prices are still at such a high level that consumption is below normal.

75. Spare parts for vehicles of Allied origin, which constitute approximately 10 % of the country's operational lift, have been in short supply. However, the Italian Government has received from American and British surplus disposal a stock (estimated worth $8,000,000) which is being classified for distribution. It is anticipated that these spares will on release meet practically all general maintenance and repair requirements.

*Italian Vehicle Production.*

76. Fulfilment of the manufacturing program of Italian factories is dependent upon imported supplies of raw materials and coal which are included in the UNRRA program for 1946. Planned production for the year 1946 is:

| | No. |
|---|---|
| Heavy trucks (over 6 tons) | 16,000 |
| Medium trucks (3 to 6 tons) | 18,000 |
| Passenger cars | 19,000 |
| Delivery vans | 16,000 |
| Heavy trailers | 15,000 |
| Medium trailers | 9,000 |

77. To date, production of Italian motor vehicles has been well below schedule. In April 1946, 823 trucks of all sizes were produced.

*Fuel.*

78. Distribution of fuel to load carrying vehicles is effected through the Italian Government truck control agency (E.N.A.C.), which allocates fuel requirements for the haulage of first priority essential commodities and, for lower priority operations, issues a monthly quota to all trucks, in proportion to carrying capacity. Localized and temporary POL shortages have occurred but POL supply has not, in general, been an efficient limiting factor in essential road movement.

79. Private cars holding circulation permits receive

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68. The overall tire situation in Italy is bad, particularly in large truck sizes such as 38×9, 42×9, 10.50×24 and small passenger car sizes. Shortages in these groups are especially critical, because these are not standard American and British sizes and are on limited production in the U.S. and U.K. Sizes within the range of tires which were standard equipment in American and British Armies are available in sufficient numbers in Italy, although distribution and allocation difficulties have prevented a satisfactory spread of stocks on hand.

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73. *Indigenous Production.* Production by local tire manufacturers is dependent upon the reception of raw materials (1). The UNRRA program of imports for 1946 covers all materials required to utilize existing plant capacity for an expected production of:—

600,000 tires and tubes for trucks and buses.
380,000 ,, ,, ,, ,, passenger cars.
30,000 ,, ,, ,, ,, motor-cycles.

(1) See Industry Part 2 - Rubber para 351 - Supplement to Economic Notes Vol. 1, No. 31, 16 August 1946.

that consumption is below normal.

75. Spare parts for vehicles of Allied origin, which constitute approximately 10 % of the country's operational lift, have been in short supply. However, the Italian Government has received from American and British surplus disposal a stock (estimated worth $8,000,000) which is being classified for distribution. It is anticipated that these spares will on release meet practically all general maintenance and repair requirements.

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79. Private cars holding circulation permits receive fuel through Provincial Fuel Offices and the average allocation is 40 litres each car per month. Bus lines obtain fuel from the Ministry of Transport in proportion to operational mileage and Government truck pools and the Italian State Railways draw monthly bulk allocations.

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80. Table 16 shows the fuel issues from February to May 1946:

TABLE 16

Gasoline and Diesel Oil Motor Issues in quintals: 1946

| 1946 | Passenger Cars | Buses | Civilian Trucks | Italian State Railways | Total |
|---|---|---|---|---|---|
| | | | GASOLINE | | |
| February | 26,354 | 12,118 | 90,867 | 11,067 | 140,406 |
| March | 33,600 | 13,398 | 98,706 | 14,778 | 160,482 |
| April | 36,786 | 13,512 | 97,895 | 14,192 | 162,385 |
| May | 36,800 | 13,512 | 97,895 | 14,192 | 162,399 |
| | | | | Total. . . | 625,672 |
| | | | DIESEL OIL | | |
| February | 2,724 | 13,368 | 69,626 | 19,781 | 96,499 |
| March | 3,585 | 16,951 | 73,378 | 11,805 | 105,719 |
| April | 3,755 | 18,000 | 73,166 | 11,505 | 106,426 |
| May | 3,000 | 18,000 | 73,166 | 11,505 | 105,671 |
| | | | | Total. . . | 414,315 |

*Black Market.*

81. Black market transactions in fuel and tires are particularly active. Large quantities of both items are available and originate with pilferage of military stores, depots, captured enemy materials dumps and illegal diversions from authorised distribution channels.

82. The majority of the purchases of black market fuel and tires is made by individuals and firms whose operations have no recognized legal status. These consist of three main groups:

(a) Truckers engaged in black market activities involving road movement of essential rationed commodities, such as olive oil, the movement and release of which are entirely under Government control.

(b) Truckers transporting luxury or speculative goods for which fuel is not legally allocated.

(c) Private motorists using black market fuel and tires for pleasure motoring, sport and unauthorised passenger hauling.

83. UNRRA has emphasized that the Italian Government should effectively prohibit the circulation of outlaw trucks and unnecessential private cars in order to unless the permit plan was replaced by a more efficient system for controlling vehicle movement and POL allocation.

*Condition of Highway System.*

*Road Surfaces.*

85. On the whole road surfaces are in fairly good condition although military traffic and delayed maintenance have aggravated normal deterioration.

86. South of the Appenines a total of 105,550 Kms. require maintenance repairs, as follows:—

| | |
|---|---|
| State roads . . . . . | 6,230 Kms. |
| Provincial roads . . . . . | 23,660 .. |
| Communal roads . . . . . | 75,660 .. |

No consolidated figures are available for Northern Italy.

*Road Bridges.*

87. Many bridges destroyed during the war have not yet been replaced and traffic is often subject to diversion. The following is an estimate of road bridges destroyed during the war:

| | In use 1939 | Destroyed |
|---|---|---|
| Steel bridges . . . . . | 805 | 630 |
| Bridges other than steel . . | 22,670 | 12,930 |

The above figures include all bridges, even those of very small span; in Southern Italy approximately 70 % are of a span less than 10 feet. This percentage is thought to apply to those in the North also.

*Value of War Damage to Roads and Bridges.*

88. The Italian Government estimates the value of war damage to roads and road bridges at 130,300 million lire.

*Reconstruction Plan for Highways and Bridges.*

89. The Italian Government reconstruction plan for 1946 is as follows:—

| | | |
|---|---|---|
| (a) | Repair of highways: | |
| | State roads . . . . . | about 3,000 Kms. |
| | Provincial roads . . . . . | .. 1,000 .. |
| | Communal roads . . . . . | .. 3,900 .. |
| (b) | Repair of bridges on: | No. |
| | State roads . . . . . | 600 |

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| 1946 | Passenger Cars | Buses | Civilian Trucks | Italian State Railways | Total |
|---|---|---|---|---|---|
| | | | GASOLINE | | |
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(b) Truckers transporting luxury or speculative goods for which fuel is not legally allocated.

(c) Private motorists using black market fuel and tires for pleasure motoring, sport and unauthorised passenger hauling.

83. UNRRA has emphasized that the Italian Government should effectively prohibit the circulation of outlaw trucks and non-essential private cars in order to reserve all supplies of fuel and rubber for the maintenance of essential services.

84. Recent agitation for the abolition of circulation permits has been opposed strongly by the UNRRA Italian Mission, which refused to agree to the proposal

*Road Surfaces.*

85. On the whole road surfaces are in fairly good condition although military traffic and delayed maintenance have aggravated normal deterioration.

86. South of the Appenines a total of 105,550 Kms. require maintenance repairs, as follows:—

| | |
|---|---|
| State roads . . . . . | 6,230 Kms. |
| Provincial roads . . . . . | 23,660 ,, |
| Communal roads . . . . . | 75,660 ,, |

No consolidated figures are available for Northern Italy.

*Road Bridges.*

87. Many bridges destroyed during the war have not yet been replaced and traffic is often subject to diversion. The following is an estimate of road bridges destroyed during the war:

| | In use 1939 | Destroyed |
|---|---|---|
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| Bridges other than steel . . | 22,670 | 12,930 |

The above figures include all bridges, even those of very small span; in Southern Italy approximately 70 % are of a span less than 10 feet. This percentage is thought to apply to those in the North also.

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| | | | |
|---|---|---|---|
| (a) | Repair of highways: | | |
| | State roads . . . . . | about 3,000 | Kms. |
| | Provincial roads . . . . . | 1,000 | ,, |
| | Communal roads . . . . . | 3,900 | ,, |
| (b) | Repair of bridges on: | | No. |
| | State roads . . . . . | | 600 |
| | Provincial roads . . . . . | | 350 |
| | Communal roads . . . . . | | 720 |

90. UNRRA has programmed for Italy, to implement highway rehabilitation, 100,000 tons of asphalt at an estimated cost of $3,500,000, excluding freight, for road repair and maintenance.

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## *TRANSPORTATION - COASTAL SHIPPING*

### *Traffic.*

91. Before the war, nearly a million tons monthly of freight or 12 % of all Italian freight traffic was carried in coasters and motor schooners plying between Italian ports. (1) The present capacity of these vessels for coastwise shipping is only about 200,000 tons monthly. War damage and lack of maintenance account for only a part of the reduction. Actually the registered tonnage of the existing coastal fleet is about 80 % of pre-war. But 25 % of the vessels is still in Allied hands. 50 % is employed in Italian foreign trade, mainly within the Mediterranean area, and in returning to their homes released Italian prisoners of war. Accordingly only 25 % of the present fleet or 20 % of the pre-war registered tonnage, is available for coastwise traffic.

### *War Damage.*

92. Sinkings, other war damage, and confiscation in foreign ports resulted in the loss of 560 ships. More than 100 of these have been salvaged. Many of these vessels have already returned to service and all are expected to be in service by the end of 1947.

### *Restoration of Pre-War Coastal Operations.*

93. Timber, steel plates, frames, girders, beams and other essentials for shipbuilding and ship repair, are all in scarce supply and are definite deterrents to the restoration of pre-war coastal shipping operations. It is planned to use part of the UNRRA imported semi-finished steel for these purposes, but the major part of the importation of raw and semi-finished materials for the rehabilitation of the coastal fleet must be financed by the Italians themselves. Considerable quantities of tugs and barges have been or will be purchased by the Italian Government from military surplus, but these will be used to expedite port-operations rather than directly to add to the coastal fleet.

94. Complete withdrawal of the Allied military from Italy and conclusion of the peace treaty will result in doubling the present effective coastal fleet. An equivalent addition will result when repatriation of Italian prisoners of war from Africa is completed. But coastal vessels will continue for sometime, in trade between Mediterranean countries, to substitute partially for Italy's merchant fleet almost wholly destroyed or lost during the war.

### *Freight Rates.*

95. Maximum freight rates have been established by the Ships Management Committee (COGENA - Comitato Gestione Navi). At present they are some ten times as great as those prevailing before the war. Despite the reduction of the coastal fleet, however, rates lower than those set by COGENA are frequently charged in order to keep vessels in full time operation. Very high insurance rates add still further to the difference between pre-war and present costs to shippers in the coastal trade.

### *Organization.*

96. Schooners and coasters are privately operated. Those over 300 tons are, however, controlled as to cargo hauled and rates charged by COGENA. Shippers desiring to employ such vessels are required to submit their bids to the relevant Ministries (e.g. Ministry of Industry and Commerce for coal and industrial raw materials and products, and the High Commissioner for Food for foodstuffs). The Ministries then submit those bids rated according to their priority preferences to COGENA which allocates tonnage.

5094

## *TRANSPORTATION - RIVER AND CANAL*

### *Traffic.*

97. Before the war approximately 5 million tons an-

(1) The following is the order of importance of the larger Italian ports according to the quantity of goods discharged in 1939:

| Port | Commodities | Port | Commoditie |
|---|---|---|---|
| Genoa | Coal, coke, grain, metals | Piombino | Iron ore, coal |
| Venice | Coal, coke, POL. | Fiume | POL, metals, phosphates |
| Savona | Coal, coke, POL. | Palermo | Coal, coke. |
| Trieste | POL, coal, coke. | Bari | POL. Coal, coke. |
| | | | Coal, coke |

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in coasters and motor schooners plying between Italian ports. (1) The present capacity of these vessels for coastwise shipping is only about 200,000 tons monthly. War damage and lack of maintenance account for only a part of the reduction. Actually the registered tonnage of the existing coastal fleet is about 80 % of pre-war. But 25 % of the vessels is still in Allied hands, 50 % is employed in Italian foreign trade, mainly within the Mediterranean area, and in returning to their homes released Italian prisoners of war. Accordingly only 25 % of the present fleet or 20 % of the pre-war registered tonnage, is available for coastwise traffic.

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| Savona | Coal, coke, POL. | Palermo | Coal, coke. |
| Trieste | POL, coal, coke. | Bari | POL, Coal, coke, |
| Naples | Coal, coke, POL. | Ancona | Coal, coke. |
| Leghorn | Coal, coke, POL | Catania | " " |
| Civita-vecchia | Coal, coke. | Messina | " " |
| Bagnoli | Iron ore, coal. | Cagliari | " " , POL. |
| Spezia | POL, coal, coke. | | |

Italy and conversion of [illegible] doubling the present effective coastal fleet. An equivalent addition will result when repatriation of Italian prisoners of war from Africa is completed. But coastal vessels will continue for sometime, in trade between Mediterranean countries, to substitute partially for Italy's merchant fleet almost wholly destroyed or lost during the war.

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5094

## TRANSPORTATION - RIVER AND CANAL

*Traffic.*

97. Before the war approximately 5 million tons annually of freight, or roughly five % of the total, was carried on the lakes, canals and navigable rivers of Italy. Statistics on traffic presently handled on these 2,000 kilometres of inland waterways are unreliable, but indicate that only one % of Italy's reduced traffic is thus carried.

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*War Damage and Present Status.*

98. War damage to the inland waterways was extensive. The bulk of the locks and bridges were destroyed. The presence of wrecks has further impeded transportation. Failure to carry out dredging on the upper reaches of the Po River has rendered it impassable for large boats. Upwards of 60 % of the prewar tonnage of tugs and barges were sunk. Shore installations were heavily damaged and equipment destroyed or stolen.

99. Rehabilitation of the inland waterway system has been carried out vigorously, mainly by private firms. Locks have been repaired at a rapid rate, the bulk of the wrecks have been raised. Within a year, the navigability of the waterways should be nearly on a pre-war basis. The bulk of the sunk barges and tugs have been raised and a large percentage found serviceable. The prospects for early completion of the repair of barges and for building new ones are good. But the shortage of tugs will remain acute for many months.

*Organization.*

100. Before the war, ownership and operation of inland waterway vessels were normally separate. Operators paid the owners 70 % of the freight charges and assumed all expenses connected with operation. In order to enforce the priority system established by the Allied Military Government during the war, the National Association for Inland Navigable Waterways (A.N.N.I. - Associazione Nazionale Navigazione Interna) was established. This agency has been continued by the Italian Government and controls the allocation and movement of all barges of more than 50 tons.

## PART TWO - COMMUNICATIONS

*General.*

101. This report summarizes the pre-war situation of communications in Italy with reference, so far as possible, to present conditions: further information is also given on the rehabilitation program prepared by the Italian Post Office Department for the period 1946 to 1950.

102. "Communications" includes the following sections: (A) Mail Service, (B) Telegraph Service, (C) Telephone Service, (D) Cable Service (Submarine cables), (E) Wireless Service. Section (F) is concerned with Buildings which represent a very considerable part of the Communications investment and which were severely damaged during the war.

103. The programmed appropriations as specified in the paragraphs headed "Rehabilitation Program" of each Section concern the modernization of existing plants, in addition to appropriations for repair of war damage.

The five year Rehabilitation Program is estimated to cost 38,850 million lire (1) of which the Rehabilitation of State undertakings would be 6,775 million lire.

The total war damage to communications is estimated by the Italian Government at 8,800 million lire to State property and 6,200 million lire to privately owned.

### (A) *MAIL SERVICE*

104. The mail service in the pre-war period operated satisfactorily. There was a need for more modern equipment and some deficiencies existed in the organisation.

*War Damage.*

105. The severe damage to Post Administration buildings (see para. 138) following war action and pilferage by Germans considerably reduced the efficiency of the mail service. The amount of war damage may be estimated at about 660 million lire (in 1946 value).

*Rehabilitation Program.*

106. An appropriation of 500 million lire was programmed in the budgets 1946-50 for the modernization of equipment.

### (B) *TELEGRAPH SERVICE*

107. The efficiency of the telegraph service in the pre-war period was unsatisfactory owing to the obsolete type of most of the apparatus and of the transmission systems so that the traffic could not reach the speed attained by modern equipment. Consequently traffic was diverted to more progressive systems of communication, such as the telephone. The average traffic in pre-war years was about 30-33,000,000 telegrams a year.

108. The length of the telegraph aerial line was about 31,000 Kms. in 1939-40 (corresponding to a total length of wire of 343,000 Kms.) representing only a slight increase in comparison with the period 1929-30.

109. Substantial progress was attained with the adop-

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Upwards of 60 % of the prewar tonnage of tugs and barges were sunk. Shore installations were heavily damaged and equipment destroyed or stolen.

99. Rehabilitation of the inland waterway system has been carried out vigorously, mainly by private firms. Locks have been repaired at a rapid rate, the bulk of the wrecks have been raised. Within a year, the navigability of the waterways should be nearly on a pre-war basis. The bulk of the sunk barges and tugs have been raised and a large percentage found serviceable. The

100. Before the war, ownership and operation of inland waterway vessels were normally separate. Operators paid the owners 70 % of the freight charges and assumed all expenses connected with operation. In order to enforce the priority system established by the Allied Military Government during the war, the National Association for Inland Navigable Waterways (A.N.N.I. - Associazione Nazionale Navigazione Interna) was established. This agency has been continued by the Italian Government and controls the allocation and movement of all barges of more than 50 tons.

## PART TWO - COMMUNICATIONS

*General.*

101. This report summarizes the pre-war situation of communications in Italy with reference, so far as possible, to present conditions; further information is also given on the rehabilitation program prepared by the Italian Post Office Department for the period 1946 to 1950.

102. "Communications" includes the following sections: (A) Mail Service, (B) Telegraph Service, (C) Telephone Service, (D) Cable Service (Submarine cables), (E) Wireless Service. Section (F) is concerned with Buildings which represent a very considerable part of the Communications investment and which were severely damaged during the war.

103. The programmed appropriations as specified in the paragraphs headed "Rehabilitation Program" of each Section concern the modernization of existing plants, in addition to appropriations for repair of war damage.

The five year Rehabilitation Program is estimated to cost 38,850 million lire (1) of which the Rehabilitation of State undertakings would be 6,775 million lire.

The total war damage to communications is estimated by the Italian Government at 8,800 million lire to State property and 6,200 million lire to privately owned.

### (A) *MAIL SERVICE*

104. The mail service in the pre-war period operated satisfactorily. There was a need for more modern equipment and some deficiencies existed in the organisation. However, after a decline of activity from 1930-31, the mail service made steady progress and dealt, through some 11,500 post offices, with a peak of 2,850 million letters in 1938-39 and a movement of 15,000,000 postal parcels during the same period.

(1) 1945 value.

*War Damage.*

105. The severe damage to Post Administration buildings (see para. 138) following war action and pilferage by Germans considerably reduced the efficiency of the mail service. The amount of war damage may be estimated at about 660 million lire (in 1946 value).

*Rehabilitation Program.*

106. An appropriation of 500 million lire was programmed in the budgets 1946-50 for the modernization of equipment.

### (B) *TELEGRAPH SERVICE*

107. The efficiency of the telegraph service in the pre-war period was unsatisfactory owing to the obsolete type of most of the apparatus and of the transmission systems so that the traffic could not reach the speed attained by modern equipment. Consequently traffic was diverted to more progressive systems of communication, such as the telephone. The average traffic in pre-war years was about 30-33,000,000 telegrams a year.

108. The length of the telegraph aerial line was about 31,000 Kms. in 1939-40 (corresponding to a total length of wire of 343,000 Kms.) representing only a slight increase in comparison with the period 1929-30.

109. Substantial progress was attained with the adoption on the National Cable of harmonic telegraphy, which allows several contemporaneous transmissions on the same circuit and therefore considerably speeds up the traffic. As yet this system has but limited use in Italy (58 circuits out of 2,600 circuits, the majority of which are of obsolete type).

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110. A separate system, the "Wheatstone System," connected Rome with the main centres of Italy for the contemporaneous transmission of State and newspaper agencies' telegrams: the total length of the relative circuits is about 8,500 Kms. in brass wire, and 1,500 Kms. in iron wire. The "Wheatstone System" was equipped with 200 "Wheatstone" apparatuses.

111 The main system was equipped in 1940 with 19,381 apparatuses (in comparison with 12,064 in 1920), of which only 1,381 were of high speed type, 6[illegible] them being used for international transmission. In the 1940 figures are included 130 teleprinting machines which however were not used for automatic transmission by which traffic efficiency can be increased.

112. The number of telegraph offices of first and second grade was 147 in 1939: that of the branch offices about 10,000.

*War Damage.*

113. The percentage of aerial telegraph lines damaged or destroyed is about 35 % valued at 4,500 million lire. The National Cable was not severely damaged. By adding the damage to the apparatus and the pilferage of materials in warehouses, the total war damage amounts to about 4,900 million lire, roughly 40 % of the value of the Italian telegraphic system.

*Rehabilitation Program.*

114. Notwithstanding the necessity for immediate strict economy, a substantial modernization of the whole equipment is absolutely necessary in order to meet traffic requirements with efficient and profitable operation.

115. The plan of modernization should take into consideration several aspects of the service, from the diffusion of high frequency and harmonic transmission systems to a complete re-planning of the line system (necessitated by the high degree of damage) to a large use of telephone lines for telegraphy. The plan should range from (a) the adoption of the most modern apparatus to (b) the adoption of telegraph switchboards which allow an increased use of the apparatus, and (c) the introduction of the "facsimile" (picture transmission) and the transmission of telegrams direct to subscriber by telephone. A wide adoption of the microwaves radio linkage is visualized and may represent a revolution both in the telegraph and telephone fields.

116. The rehabilitation plan would make use of the [illegible]

## (C) *TELEPHONE SYSTEM*

*(See Map-Table 19)*

118. The Italian telephone system includes:—

(a) The Italian State system for international long distance calls and long distance calls between the capitals of regions or provinces.

(b) The Concession system for local calls and long distance calls within the region that each concessioned concern supervises.

119. The number of telephones installed pre-war in Italy compared with some other countries is shown in Table 17.

TABLE 17

Numbers of Telephones in Italy as compared with some other countries: 1937

| | Thousands of telephones installed | Population in thousands | No. of Persons per telephone |
|---|---|---|---|
| Italy | 611.3 | 42,919 | 70 |
| France | 1,552.6 | 41,907 | 27 |
| Germany | 3,623.7 | 79,800 | 22 |
| United Kingdom | 3,018.7 (1) | 47,486 | 16 |
| United States of America | 19,453.0 | 122,775 | 6 |

(1) Installed by the Postal Service.

(a) *Italian State System.*

120. The Italian State telephone system is supervised by A.S.S.T. (Azienda di Stato per i Servizi Telefonici). The National Cable runs for 3,514 Kms. including the submarine section. The cable was equipped with 44 amplifying stations, 3,700 amplifiers and 90,435 Pupin Units. The total length of circuits of the National Cable line is about 241,773 Kms. (86.25 %). The aerial line is about 30,000 Km. and the high frequency line about 8,500 Kms. long.

121. The total system includes 1,021 circuits of which 800, 190, and 31 respectively are on the cable, aerial and high frequency systems. This includes the national section of the International telephonic system with 122 circuits of a total length of circuits of 25,000 Kms.

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equipped with 200 "Wheatstone" apparatuses.

111. The main system was equipped in 1940 with 19,381 apparatuses (in comparison with 12,064 in 1920), of which only 1,331 were of high speed type, of them being used for international transmission. In the 1940 figures are included 180 teleprinting machines which however were not used for automatic transmission by which traffic efficiency can be increased.

112. The number of telegraph offices of first and second grade was 147 in 1939; that of the branch offices about 10,000.

*War Damage.*

113. The percentage of aerial telegraph lines damaged or destroyed is about 35 % valued at 4,500 million lire. The National Cable was not severely damaged. By adding the damage to the apparatus and the pilferage of materials in warehouses, the total war damage amounts to about 4,900 million lire, roughly 40 % of the value of the Italian telegraphic system.

*Rehabilitation Program.*

114. Notwithstanding the necessity for immediate strict economy, a substantial modernization of the whole equipment is absolutely necessary in order to meet traffic requirements with efficient and profitable operation.

115. The plan of modernization should take into consideration several aspects of the service, from the diffusion of high frequency and harmonic transmission systems to a complete re-planning of the line system (necessitated by the high degree of damage) to a large use of telephone lines for telegraphy. The plan should range from (a) the adoption of the most modern apparatus to (b) the adoption of telegraph switchboards which allow an increased use of the apparatus, and (c) the introduction of the "facsimile" (picture transmission) and the transmission of telegrams direct to subscriber by telephone. A wide adoption of the microwaves radio linkage is visualized and may represent a revolution both in the telegraph and telephone fields.

116. The rehabilitation plan would make use of the telegraphic system of semi-permanent type installed by the Allies.

117. Such a rehabilitation plan would require an appropriation of about 2,500 million lire (1) in the budgets 1946-50.

(1) 1945 value.

distance calls and long distance calls between the capitals of regions or provinces.

(b) The Concession system for local calls and long distance calls within the region that each concessioned concern supervises.

119. The number of telephones installed pre-war in Italy compared with some other countries is shown in Table 17.

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121. The total system includes 1,021 circuits of which 800, 190, and 31 respectively are on the cable, aerial and high frequency systems. This includes the national section of the International telephonic system with 122 circuits of a total length of circuits of 25,000 Kms.

122. The National Cable is also used (see paras. 103 to 113) for super-combined and harmonic telegraphy by the various State Departments and for the transmission of high quality music by RAI (Radio Audizioni Italia) (see para. 135).

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123. The quantity of long distance traffic ranged from 4,500,000 units (conversation of three minutes) in 1926 to about 10,400,000 unities in 1939-40, of which about 1,342,000 were international long distance calls. (The greatly increased use of the service shows that the system has proved efficient.)

(b) *Concessioned Concerns System.*

124. The following are the concessioned concerns which are checked by the A.S.S.T.:—

— STIPEL (Società Telefonica Internazionale Piemontese e Lombarda) for Piedmont and Lombardy.

— TELVE (Società Telefonica delle Venezie) for Venetia.

— TIMO (Società Telefonica Italiana Medio Orientale) for Emilia, Marche, Umbria, Abruzzi and Molise.

— TETI (Società Telefonica Tirrena) for Liguria, Tuscany, Lazio and Sardinia.

— SET (Società Esercizi Telefonici) for Campania, Puglie, Lucania, Calabria and Sicily.

125. The franchise of local and regional long distance services, decided in 1926, made possible a very rapid increase and modernization of the existing equipment. That is confirmed by the following figures showing the condition of the equipment in 1940 in comparison with 1926:

TABLE 18

Number of telephone switchboards in Italy and length of circuits: 1926 and 1940

| | | 1926 | 1940 |
|---|---|---|---|
| *Automatic switchboards.* . . | No. | 15 | 857 |
| Operation capacity in number of switchboards . . . | » | 55.860 | 555.877 |
| Numbers connected . . | » | 41.517 | 430.494 |
| *Non-automatic switchboards* . | » | 2.217 | 4.185 |
| Operation capacity in number of switchboards . . . | » | 123.108 | 107.511 |
| Numbers connected . . . | » | 92.257 | 60.338 |
| Length of local circuits: . | Km./pair (1) | 1.029.704 | 261.172 |
| » » long distance cable circuits . . . | » » | 96.188 | — |

126. The long distance traffic by the Concessioned Concerns has made steady and rapid progress from 5,000,000 unities in 1926 to 33,000,000 in 1940.

*War Damage.*

127. War damage to the State telephone system may be estimated as follows:—

| | Million lire (1946) |
|---|---|
| Cable system . . . . . 20 % | 5.840 |
| Amplifying stations . . . . . 53 % | |
| Switchboards for long distance calls . 57 % | 180 |
| Aerial line system. . . . . 33 % | 560 |
| High frequency system . . . . 35 % | |
| | 6,580 |

128. The total war damage to the concessioned concerns system amounts to about 8,700 million lire (1946).

*Rehabilitation Program.*

129. The rehabilitation plan takes full account of the existing efficiency of equipment and will be limited to the maximum introduction of modern improvements, particularly in the rehabilitation of amplifying stations (most of which are damaged) and to a wide introduction of microwaves radio linkage. Technical details will be arrived at after a careful study of the experience of the last five years (see paras. 103 to 113).

130. For the State system the program provides for an appropriation of 2,000 million lire in the budget for 1946-50. For the extension of the modern concessioned concerns system about 30,000 million lire will also be necessary (lire in 1946 value).

## (D) *CABLE SERVICE*

### (Submarine Cables)

131. The Italian cable system includes:—

(a) The State cable system of about 200 cables in 1939 with a total length of 7,500 Kms.

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(b) *Concessioned Concerns System.*

124. The following are the concessioned concerns which are checked by the A.S.S.T.:—

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| Operation capacity in number of switchboards . . . | » | 55,860 | 555,877 |
| Numbers connected . . | » | 41,517 | 430,494 |
| *Non-Automatic switchboards* . | » | 2,217 | 4,185 |
| Operation capacity in number of switchboards . . . | » | 123,108 | 107,511 |
| Numbers connected . . . | » | 92,257 | 60,338 |
| Length of local circuits . | Km./pair (1) | 1,029,704 | 261,172 |
| » » long distance cable circuits . . . | » » | 96,188 | — |
| Length of long distance aerial line circuits . . . . | » » | 100,807 | 53,077 |
| Length of the long distance line | Km. | 23,814 | 16,592 |

(1) Km/pair means the length of the sections of the line multiplied by the number of pairs of conductors, which changes from section to section.

127. War damage to the State telephone system may be estimated as follows:—

| | | Million lire (1946) |
|---|---|---|
| Cable system . . . . . | 20 % | 5,840 |
| Amplifying stations . . . . | 53 % | |
| Switchboards for long distance calls | 57 % | 180 |
| Aerial line system. . . . . | 33 % | 560 |
| High frequency system . . . | 35 % | |
| | | 6,580 |

128. The total war damage to the concessioned concerns system amounts to about 8,700 million lire (1946).

*Rehabilitation Program.*

129. The rehabilitation plan takes full account of the existing efficiency of equipment and will be limited to the maximum introduction of modern improvements, particularly in the rehabilitation of amplifying stations (most of which are damaged) and to a wide introduction of microwaves radio linkage. Technical details will be arrived at after a careful study of the experience of the last five years (see paras. 103 to 113).

130. For the State system the program provides for an appropriation of 2,000 million lire in the budget for 1946-50. For the extension of the modern concessioned concerns system about 30,000 million lire will also be necessary (lire in 1946 value).

(D) *CABLE SERVICE*

(Submarine Cables)

131. The Italian cable system includes:—

(a) The State cable system of about 200 cables in 1939 with a total length of 7,500 Kms.

(b) The Concessioned Italcable system in 1940 of 15 cables with a total length of 22,000 Kms. connecting seven different countries of West and North Europe and North and South America. The traffic amounted in 1939 to 904,000 telegrams containing 16 million words.

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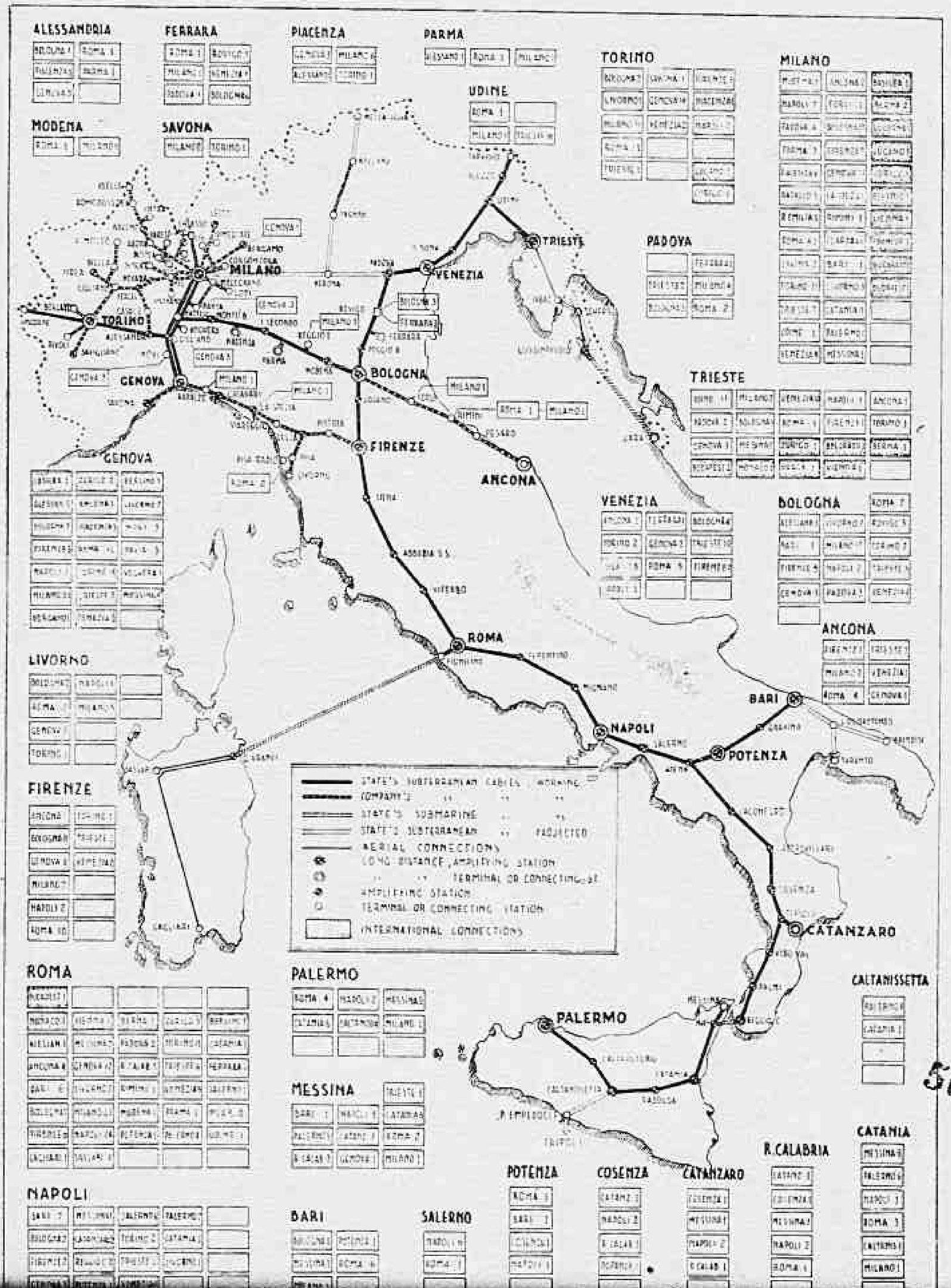
TABLE 18

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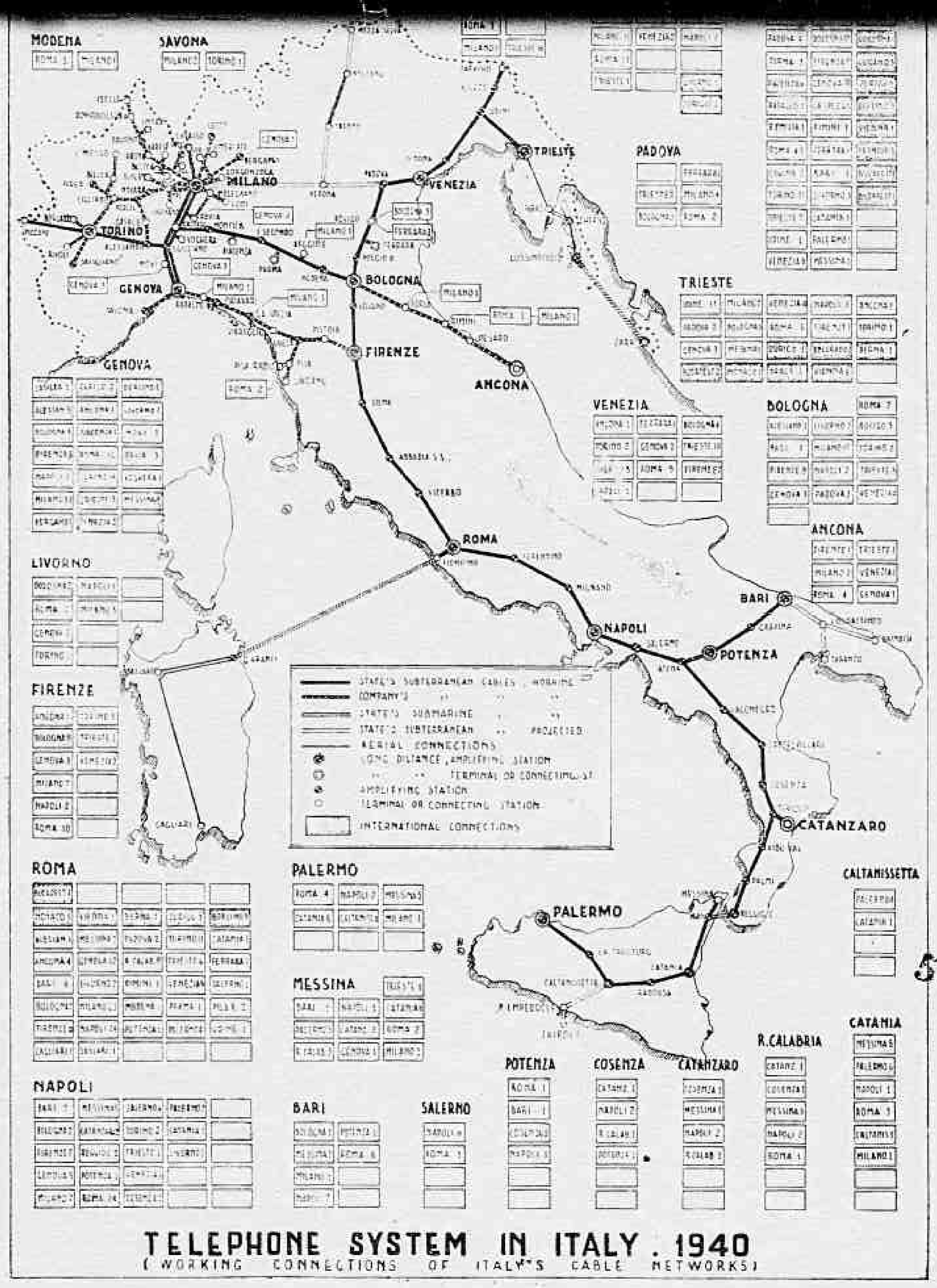


# TELEPHONE SYSTEM IN ITALY . 1940

( WORKING CONNECTIONS OF ITALY'S CABLE NETWORKS )

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*War Damage.*

132. The State cable system is somewhat damaged due to lack of maintenance rather than war action. The system was severely affected owing to pilferage by the Germans of a considerable amount of various materials, valued at 100 million lire. The repair of the State cable system will require an expenditure of about 60 million lire.

The Italian Government has estimated at 760 million lire the total war damage to State and concessioned cable services.

*Rehabilitation Program.*

133. The main lines of a rehabilitation plan for the State system have not been determined. It is to be expected that the radio linkage with the ultra-short and micro-waves system (which has proved to be quite reliable at all hours of the day and in all seasons) will in some cases supplant the cable system (see paras. 103 to 125). It is important to underline that the last improvements in this field allow several communications on the same carrier.

134. The situation of the Concessioned Italcable system will depend on future international agreements and on the position of Italy following the peace treaty. No appropriation has been programmed for the improvement of the Italcable system. The rehabilitation of the State cable system forms part of the program covering the rehabilitation of the radio service (see para. 137).

(E) *RADIO SERVICE*

135. The pre-war radio service included:—

(a) The State radio system for communication with ships and between fixed points. In 1940 the State radio system disposed of the following main centres:

(i) The transmitting centre of Coltano—equipped with 12 transmitters with a total output of 357 Kw.—linked by cable to the receiving centre of Nodica—for communication with ships and between fixed points. In the period 1936-37 the traffic with ships reached a peak of about 7 million words a year; in the period 1938-39 the traffic was reduced to about 5 million words; in

(iii) The transmitting centre of Fiumicino (Rome), equipped with a transmitter for an output of 5 Kw.—for communication with Sardinia and other smaller centers and generally used for communications with the islands.

(b) The concessioned ItaloRadio system (which in 1942 was absorbed by Italcable) was equipped with 13 transmitters with a total output of 710 Kw. In 1938 the traffic was about 18 million words during the year.

(c) The concessioned firm S.I.R.M. system—which supervised the equipment and operation of radio sets aboard ships.

(d) The Broadcasting system-conceded to E.I.A.R. (Ente Italiane Audizioni Radiofoniche), which after 1943 changed its name to R.A.I. (Radio Audizioni Italia), was equipped in 1942 with 34 medium wave transmitters having a total output of 850 Kw. and 10 short wave transmitters with a total output of 432 Kw. The system was completed by a complex cable line for high quality transmission of music (see National Cable - para. 122). This line is designed to carry to the transmitting stations the three different and contemporaneous programs which can be played in any town of the country. The broadcasting system has modern equipment, including 66 auditories of high acoustic quality and 15 mobile plants for records and transmissions of all kinds. The system was in all details as efficient as any modern broadcasting system in the world. Two experimental television transmitters were installed in 1940, one in Rome and the second in Milan: each transmitter had an output of 0.5 Kw. for television and 2 Kw. for sound. Both transmitters, which comprised very complex equipment, operated for a very short period only, owing to the war.

*War Damage.*

136. The centres of Coltano and Radio Fiumicino were completely destroyed by the Germans with a total damage of about 660 million lire. The damage to the Italcable plants is estimated at about 240 million lire; the damage to S.I.R.M. was severe because most of the Italian merchant ships were sunk. The broadcasting

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Germans of a considerable amount of various materials, valued at 100 million lire. The repair of the State cable system will require an expenditure of about 60 million lire.

The Italian Government has estimated at 760 million lire the total war damage to State and concessioned cable services.

*Rehabilitation Program.*

133. The main lines of a rehabilitation plan for the State system have not been determined. It is to be expected that the radio linkage with the ultra-short and micro-waves system (which has proved to be quite reliable at all hours of the day and in all seasons) will in some cases supplant the cable system (see paras. 103 to 125). It is important to underline that the last improvements in this field allow several communications on the same carrier.

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## (E) *RADIO SERVICE*

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(i) The transmitting centre of Coltano—equipped with 12 transmitters with a total output of 357 Kw.—linked by cable to the receiving centre of Nodica—for communication with ships and between fixed points. In the period 1936-37 the traffic with ships reached a peak of about 7 million words a year; in the period 1938-39 the traffic was reduced to about 5 million words; in 1940 the traffic between fixed points was about 12 million words (mainly with Italian East Africa).

(ii) The transmitting coastal centres of Naples, Genoa and Fiume—of low output power—with a very moderate traffic exclusively with ships.

with the islands.

(b) The concessioned ItaloRadio system (which in 1942 was absorbed by Italcable) was equipped with 13 transmitters with a total output of 710 Kw. In 1938 the traffic was about 18 million words during the year.

(c) The concessioned firm S.I.R.M. system—which supervised the equipment and operation of radio sets aboard ships.

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*War Damage.*

136. The centres of Coltano and Radio Fiumicino were completely destroyed by the Germans with a total damage of about 660 million lire. The damage to the Italcable plants is estimated at about 240 million lire; the damage to S.I.R.M. was severe because most of the Italian merchant ships were sunk. The broadcasting system was also severely damaged; about 30 transmitters were destroyed or removed and no information is available regarding 10 oversea transmitters; most of the "antennae" were mined and the most of spare materials pilfered. The total damage is estimated by the Italian Government at about 1,300 million lire. At the time of the liberation, only 12 medium wave tran-

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smitters could operate having a total output of 129 Kw. in addition to two short wave transmitters for a total output of 100 Kw. At present 19 medium wave transmitters with a total power of Kw. 264 are in service in addition to the two short wave transmitters. By using dismantled materials recovered in North Italy and materials now available on the market, it is expected that during 1946 the number of operating medium wave transmitters will be increased to 28 having a total power of 540 Kw. and short wave transmitters to 3 with a total power of 150 Kw.

*Rehabilitation Program.*

137. The general lines of the existing State system will remain unchanged. It has not yet been decided whether the centre at Coltano will be rebuilt there or in Rome. Details of the rehabilitation plan are to be studied in the light of the progress in technique and the enlargement of plants expected to take place in the future. At the moment, a provisional appropriation of 500 million lire is programmed in the budgets for 1946-50.

138. As regards the Broadcasting system, the rehabilitation plan provides for the installation in the next five years of three medium transmitters in Rome, two of them of high power and five short wave transmitters, at least two of which would be in Rome. Much of the pilfered equipment has been recovered in Alto Adige and the details of the rehabilitation plan for this section will depend partly on the use that can be made of this material.

139. No provision has been made for television additional to the experimental plants in Milan and Rome which, after being removed by the Germans, were recovered and assembled in Turin.

135. In connection with the above, an appropriation of 350 million lire is programmed in the budgets of 1946-50.

## (F) *BUILDINGS*

140. The real estate of the Italian State Administration of Communications amounted in 1939 to about 352 million lire and that of concessioned concerns to 235 million lire, i.e. a total of 587 million lire, equal to 11,700 million lire in 1946 value.

*War Damage.*

141. Most of the buildings were severely damaged following war action and the damage suffered by the State Administration and concessioned concerns has been estimated by the Italian authorities at 2,500 million lire (Communications) and 3,600 million lire (concessioned concerns), i. e. a total of 6,100 million lire.

*Rehabilitation Program.*

142. The rehabilitation of buildings is obviously of first priority in the rehabilitation program but any temporary or provisional solution is not possible. The program provides for an appropriation of 450 and 1.050 millions respectively for the buildings of the State Administration and concessioned concerns, i.e. a total of 1,500 million lire (in 1945 value).

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# ECONOMIC NOTES

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2. UNRRA Shipping in Italian Ports
3. Movements of Ships

## MEDICAL AID TO ITALY

In addition to the steady flow of medical supplies which UNRRA is bringing into the country, a preliminary sum of 18,850,000 lire —part of a far-reaching plan for nation-wide medical rehabilitation—has now been allocated to the High Commissariat for Public Health and Hygiene.

The Italian Government and UNRRA Italy Mission have agreed that this sum be taken from the Lire Fund and used for the work of Provincial Medical Officers, many of whom have been immobilised during the last two years by lack of transport and other handicaps, to the detriment of national health throughout the country.

### Use of Lire Fund

This latest allocation from the Lire Fund to medical purposes is additional to the sums which have already been drawn from that Fund for the betterment of national health, in implementation of the agreement signed between the Italian Government and UNRRA in January 1946, whereby the net proceeds of the sale of UNRRA-imported supplies shall be used

| | *Lire* |
|---|---|
| — Manufacture of hospital linen from imported raw cotton . . . . . | 400,000,000 |
| — Sardinia malaria eradication . . . | 300,000,000 |
| — Malaria control, Latina Province . . | 7,500,000 |

A list of public health projects which, if approved, will involve the allocation of considerable sums from the Lire Fund, has been submitted to the Lire Fund by the High Commissioner for Public Health and Hygiene.

### Fourth General Distribution

This week sees the completion of the third general distribution of medical supplies (see *Economic Notes* No. 23 of 21 June, 1946) amounting to 521 tons, valued at over 560,000 dollars (£140,000 sterling) and the commencement of the fourth general distribution.

Amounting to some 600 tons, the first part of the fourth general distribution consists of hospital supplies, and includes blankets, bathrobes and pyjamas, surgical dressing and equipment, surgeon's gloves, 75 tons of absorbent cotton, 380 tons of toilet, laundry and soft soap, about 12,000 syringes and the same number of needles and 48,000 tubes of suture

Declassified E.O. 12356 Section 3.3/NND No. 785015

# ECONOMIC NOTES

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

CONTENTS

1. Medical Aid to Italy
2. UNRRA Shipping in Italian Ports
3. Movements of Ships

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The following are the items which have already been allocated:—

| | *Lire* |
|---|---|
| — Manufacture of hospital linen from imported raw cotton . . . . . | 400,000,000 |
| — Sardinia malaria eradication . . . | 300,000,000 |
| — Malaria control, Latina Province . . | 7,500,000 |

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Special distribution of narcotic drugs, insulin and liver extract (total value 21,427 dollars or

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£5,357 sterling), were completed according to schedule during July. In July, also, 20,000 vials of penicillin were distributed to 90 provinces, in Sicily, Sardinia and the mainland of Italy.

The re-opening of the Regina Margherita Hospital at Messina was marked by an inaugural ceremony on 4 August at which the Acting High Commissioner for Sicily and other Italian authorities were present, together with the UNRRA Regional Director and Regional Medical Officer, and the Deputy Chief of Mission and the Director of Health from UNRRA Headquarters. The re-opening of the hospital, which has been requisitioned many times, was made possible by the allocation of an UNRRA 200-bed hospital unit. UNRRA sheeting material had also arrived, and about 140 patients are already hospitalized.

### Complete Hospital Units

Another 200-bed hospital unit was delivered to the Civil Hospital, Dolo (Venezia). Five 40-bed hospital units were delivered to the following institutions: Civil Hospital, Fidenza (Parma); Civil Hospital, Palermo; Palazzo Adriano, Palermo; Sanatorium Serraino Vulpitta, Trapani; Agrigento Civil Hospital, Licata (Sicily); Ospedale Isolamento, Trapani (Sicily). The latter two divide one 40-bed hospital unit between them.

Distribution of the remaining twenty-one 40-bed hospital units and other hospital equipment such as furniture, surgical instruments and kitchenware are being planned and executed during August. In addition, laboratory units were delivered in July to the Sicilian Provincial Laboratories of Messina, Catania and Caltanissetta.

The distribution plan for 93 UNRRA ambulances has been approved. The ambulances will remain the property of the Italian Government, but will be assigned to the Medici Provinciali for use by specified hospitals and medical institutions in the provinces.

### Tuberculosis Control

Guerrini (Pesaro). With the delivery of a further unit to the Civil Hospital at Minturno this week, the assignment of the fourteen X-ray units imported into Italy by UNRRA is now complete.

### UNRRA Scholarships

A practical instance of UNRRA's long-term policy for the promotion of national self-help was the departure from Naples on 4 August, of 27 Italian graduate nurses who have received UNRRA scholarship for four months' study in the United States. The nurses—among whom were three nuns—came from Sicily and every other part of Italy and have been selected by the Directors of 27 different institutions. One of the requirements attached to the scholarship is that each nurse, on her return to Italy, shall give a year of service to the Italian people, imparting to others the knowledge she has acquired abroad. The group is divided between those who will study the teaching of public health and those who will study teaching methods as applied to the nursing of the sick.

A scheme for Nation-wide disinfestation of hospitals, orphanages, institutions and jails is rapidly assuming final form. The plan will be carried out by Italian personnel, with UNRRA technicians acting in an advisory capacity. It is hoped that by 1 September engineers and equipment will be on site and operations will be ready to start. At a conference between the Italian authorities and the sanitary engineers of the Health Division, it was agreed to use 20 tons of 100 per cent. DDT and 500 sprayers for this program.

---

## UNRRA SHIPPING IN ITALIAN PORTS

The selection of Italian ports for discharge of UNRRA supplies imported for Italy's relief and rehabilitation has been one of the major problems in the Administration's task.

UNRRA policy in this connection has been dictated by three main factors. Firstly, the choice of ports whose facilities are most ad-

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## UNRRA SHIPPING IN ITALIAN PORTS

The selection of Italian ports for discharge of UNRRA supplies imported for Italy's relief and rehabilitation has been one of the major problems in the Administration's task.

UNRRA policy in this connection has been dictated by three main factors. Firstly, the choice of ports whose facilities are most adjacent to the areas for which the cargo is intended, in order to ensure relatively the best and fastest distribution possible under the circumstances. It is obvious that, with demand

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so far in excess of supply, any delay in moving goods inland—especially when foodstuffs are concerned—might well have serious consequences.

A second factor which influences shipping decisions is the railway accommodation available. Clearance of port warehouses depends largely on the efficiency of the railway system serving the ports. Congestion of that system may substantially affect the usefulness of a port at a given moment.

### The Financial Onus

The third consideration is the speed with which the vessel can be completely unloaded; this directly affects the amount of dollars and sterling paid out of UNRRA's international shipping fund.

A further aspect to which UNRRA attaches importance is—with the other considerations being relatively equal—the possibility of relieving unemployment in port towns, where large sections of the population have been deprived of their livelihood as a result of the sharp shrinkage in sea-borne trade. Most of Italy's foreign trade used to be handled through the many ports located along her 5,300 miles of coastline. Large sections of the population have consequently been cut off from their normal wage-earning source for close on six years.

### Ports Still Unsafe

A point to be borne in mind when comparing the respective merits of Italy's ports is the fact that many of the minor harbours have never officially been declared safe for shipping. Only lately have the Allied military authorities allowed civilian shipping to use some of the harbours, and ship-owners are in some cases still unwilling to have their ships put in at certain west-coast ports.

Sincere efforts have been made by UNRRA to use the small ports, and shipping has often been diverted from the larger ones, with this end in view. But this brings up the question of shipping costs previously mentioned. High-

tons per day. The penalty for slower discharge is 1,700 dollars per day. Diversions may entail heavy expenditure, as freight is usually charged on the ship's full cargo and for the whole run, irrespective of any partial unloadings during the journey. Thus, unloading part of an 8,000-ton vessel's cargo, say, in Naples, and the balance at Trapani, would involve payment on the full amount of cargo for the Naples-Trapani run, amounting to several thousand dollars.

To overcome this difficulty, Italian schooners and coasters have been used for coastwise shipping wherever possible.

### Use of Minor Ports

The following figures show the tonnage discharged at some of the minor ports in July: Ancona 24,400 tons; Crotone 8,800; Messina 3,600; Catania 21,200; Siracusa 2,800; Piombino 19,100; Civitavecchia 42,300; Torre Annunziata 22,900; Castellammare 10,500; Salerno 10,800; Reggio Calabria 8,700; Cagliari 16,500; Brindisi 12,100.

The choice of a ship's port destination is a matter for close co-operation between UNRRA and the Italian agencies. With slight exceptions, all UNRRA shipping—including coal and food—goes into the ports designated by the Italian authorities.

It is to be hoped that the possibility of port reconstruction and a general improvement in world trade will soon afford Italy's dockers and other port workers the opportunities they have long been denied.

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## « ECONOMIC SURVEY » SUPPLEMENT

*The Supplement attached to this week's issue of* Economic Notes *contains the second section on Italian industry, dealing with Food Processing, and the Textile, the Metal and Steel, and other industries. The Supplement also has textual revisions of paragraphs which have ap-*

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Sincere efforts have been made by UNRRA to use the small ports, and shipping has often been diverted from the larger ones, with this end in view. But this brings up the question of shipping costs previously mentioned. Higher charges on UNRRA's ocean freight funds mean less money available for relief and rehabilitation supplies. Facilities at many of the smaller ports do not permit grain ships to unload at the minimum speed of one thousand run, irrespective of any partial unloadings during the journey. Thus, unloading part of an 8,000-ton vessel's cargo, say, in Naples, and the balance at Trapani, would involve payment on the full amount of cargo for the Naples-Trapani run, amounting to several thousand dollars.

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*The first section on Italian industry appeared in the Supplement to last week's edition of* Economic Notes, *No. 30 dated 9 August 1946.*

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# MOVEMENTS OF SHIPS

## CARGOES OTHER THAN COAL

(AUGUST 3 - 9 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | ACCOUNT | CARGO | TONS |
|---|---|---|---|---|---|
| Sveti Duje * | Venice | 2 August | It. Program | Phosphates | 5,720 |
| Fylingdale | Savona | 3 " | " " | Caolin | 4,648 |
| Stig Gorthon | Genoa | " " | Commercial | General | 2,900 |
| Vulcania | Naples | " " | UNRRA | Sausages | 22 |
| Southwestern Victory | " | 4 " | " " | General | 6,636 |
| Harold O. Wilson | " | " " | " " | " | 9,008 |
| Tyson Lykes | Genoa | 5 " | Commercial | " | 6,669 |
| James D. Trask | Venice | " " | UNRRA | Corn | 8,366 |
| Kendall Fish | Genoa | 6 " | " " | General | 2,416 |
| Jonathan Wort | Venice | " " | " " | " | 6,754 |
| Swan Point | Leghorn | 7 " | It. Program | Caolin | 5,773 |
| Nora | Bagnoli | 8 " | " " | Phosphates | 530 |

* *Advice received too late for inclusion in last week's shipping list.*

## LATEST COAL SHIPMENTS

(AUGUST 3 - 9 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | COUNTRY OF ORIGIN | ACCOUNT | TONS |
|---|---|---|---|---|---|
| Katharine Sherwood | Savona | 3 August | United States | UNRRA | 8,834 |
| Princ Andrej | Genoa | 4 " | Germany | " | 8,629 |
| Dalmore | Savona | " " | United Kingdom | " | 6,596 |
| Nelson Andrich | Genoa | 5 " | United States | " | 8,224 |
| Thomas Hayward | Palermo | " " | " " | " | 4,209 |
| | Reggio C. | 9 " | " " | " | 4,000 |
| David A. Curry | Savona | 5 " | " " | " | 8,265 |
| Nelson Dingley | Genoa | 6 " | " " | " | 8,395 |
| Fjeld | Savona | " " | United Kingdom | " | 4,309 |
| James Bowje | Venice | " " | United States | " | 3,429 |
| Lucius Fairchild | " | " " | " " | " | 4,463 |
| Walker D. Hines | Bagnoli | 7 " | " " | " | 8,782 |
| Wallace Farrington | Genoa | 8 " | " " | " | 3,930 |
| Vernon Kellogg | Savona | " " | " " | " | 8,660 |
| Johann Printz | " | " " | " " | " | 8,134 |
| Henry Browa | " | " " | " " | " | 8,673 |
| Milton Forrow | " | 9 " | " " | " | 8,491 |

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| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | ACCOUNT | CARGO | TONS |
|---|---|---|---|---|---|
| Sveti Duje * | Venice | 2 August | It. Program | Phosphates | 5,720 |
| Fylingdale | Savona | 3 „ | „ „ | Caolin | 4,648 |
| Stig Gorthon | Genoa | „ „ | Commercial | General | 2,900 |
| Vulcania | Naples | „ „ | UNRRA | Sausages | 22 |
| Southwestern Victory | „ | 4 „ | „ „ | General | 6,636 |
| Harold O. Wilson | „ | „ „ | „ „ | „ | 9,008 |
| Tyson Lykes | Genoa | 5 „ | Commercial | „ | 6,669 |
| James D. Trask | Venice | „ „ | UNRRA | Corn | 8,366 |
| Kendall Fish | Genoa | 6 „ | „ „ | General | 2,416 |
| Jonathan Wort | Venice | „ „ | „ „ | „ | 6,754 |
| Swan Point | Leghorn | 7 „ | It. Program | Caolin | 5,773 |
| Nora | Bagnoli | 8 „ | „ „ | Phosphates | 530 |

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| | Reggio C. | 9 „ | „ „ | „ | 4,000 |
| David A. Curry | Savona | 5 „ | „ „ | „ | 8,265 |
| Nelson Dingley | Genoa | 6 „ | „ „ | „ | 8,395 |
| Fjeld | Savona | „ „ | United Kingdom | „ | 4,309 |
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| Johann Printz | „ | „ „ | „ „ | „ | 8,434 |
| Henry Brown | „ | „ „ | „ „ | „ | 8,673 |
| Milton Foreman | „ | 9 „ | „ „ | „ | 8,491 |
| David Galliard | Venice | „ „ | „ „ | „ | 8,272 |
| James Couper | „ | „ „ | „ „ | „ | 6,642 |
| Giacomo C. | „ | „ „ | Germany | „ | 7,115 |
| William Phips | Genoa | „ „ | United States | „ | 4,120 |

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# INDUSTRY

(Part II continued)

(For the first section of this Survey of Italian industry, containing an introduction, Part One general) and Part Two (motive power industries - coal and fuel - and the chemical and allied industries see Supplement to "Economic Notes,, Vol. I, No. 30, 9 August, 1946) (1)

## FOOD PROCESSING

*Introduction.*

203. This brief survey of the present situation of the food processing industry is limited to its more important branches. The importance of the food processing industry before the war is indicated by the following figures of exports in 1937, when 380,000 persons were employed:

| | Thousands of lire |
|---|---|
| Cheese (hard and soft) | 224,000 |
| Preserved fruit, dried and fresh vegetables (including tomato paste) | 227,000 |
| Macaroni | 50,000 |
| Preserved meats | 54,000 |
| Edible olive oil | 146,000 |
| Wines and vermouth | 271,000 |

Generally speaking, the war damage suffered by the food processing industry has been almost completely repaired and the capacity of the plants is nearly equal to their pre-war capacity. However, the factories are working at a very reduced rate as a consequence of the shortage of Italian agricultural products. In normal times Italian processed food products contributed to the export trade but this is now impossible, partly because of the domestic food shortage and partly because of the high cost of agricultural products. As a result of high prices, the reduced production is sufficient to meet the very low effective domestic demand, and sometimes even to exceed it, although this does not mean that nutritional needs are being met. Normally, the main imported raw materials for food processing are coal and tin plate (or tin for manufacturing of plate). Other necessary imported materials are cocoa, fresh fish, oil seeds and some minor products. During the present emergency imports of sugar and meat are also necessary.

*Sugar.*

204. For the period from August to October 1946, the scheduled production of 56 sugar factories, 12 of which have been totally or partially re-equipped after having of sugar. Their production capacity is over half a million tons (430,000 tons were produced in 1942). As an insurance against coal shortage, many plants are fitting fuel oil burners to their boilers, and the allocation of coal has been reduced to 175,000 tons. As a conservative estimate, 280,000 tons of sugar can be expected from the 1946 harvest of sugar beets. With an availability of 280,000 tons of sugar it should be possible to distribute, till the 1947 crop, a monthly ration of 300 grams per consumer, and to give 50,000 tons to the food processing industry.

*Cheese and Butter.*

205. In the pre-war period, cheese production amounted to 200,000 tons per year and butter production to 45,000 tons per year. This was processed from 25,500,000 litres of milk. The pre-war average export of cheese amounted to 30,000 tons per year. For 1946 the estimated cheese production of 4,804 industrial plants (with a total capacity of 280,000 tons of cheese) amounts to 116,000 tons, and the butter production of 4,264 industrial plants is estimated at 24,000 tons. This heavy reduction is caused by the shortage of milk, which is due to the destruction of livestock and the shortage of fodder. As a result of the high cost of milk for industrial use (30 lire per litre), the production of cheese and butter for free sale exceeds the demand. There is a real, if minor, surplus for export of "pecorino" (Roman and Sardinian cheese) (2). Because this cheese did not meet the taste of a large proportion of the Italian population, especially in Northern Italy, it was in the past exported in considerable quantities, particularly to the USA for the emigrated Italians. Out of a production of 20,000 tons of this cheese, 5,000 tons could be exported without depriving the internal market. Also, cheese of high quality and cost, such as Parmesan cheese could be exported in exchange for other foodstuffs of wider consumption and lower cost. Apart from 20,000 tons of coal, raw material imports for this cheese production are limited to rennet, which can be obtained through commercial exchange with

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*Sugar.*

204. For the period from August to October 1946, the scheduled production of 56 sugar factories, 12 of which have been totally or partially re-equipped after having been damaged by the war, amounts to 250,000 tons of sugar. Their production capacity is over half a million tons (430,000 tons were produced in 1942). As an insurance against coal shortage, many plants are fitting fuel oil burners to their boilers, and the allocation of coal has been reduced to 175,000 tons. As a conservative estimate, 280,000 tons of sugar can be expected from the 1946 harvest of sugar beets. With an availability of 280,000 tons of sugar it should be possible to distribute, till the 1947 crop, a monthly ration of 300 grams per consumer, and to give 50,000 tons to the food processing industry.

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*(1) See Supplement to Vol. 1 No. 27 for Introduction to Survey of Italy's Economy and for Survey of Finance, and No. 28 for Survey of Agriculture and Food in Italy.*

(2) Pecorino cheese is made from ewes milk.

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*Condensed and Powdered Milk, Baby Food.*

206. The 19 Italian factories producing condensed and powdered milk, have a capacity of over 35,000 tons per year and an average production of 20,000 tons. The factories can process in 1946, on the basis of available milk (about 1,000 hectolitres per day) about 12,000 tons of condensed or powdered milk. However, this production is subject to the availability of 3,000 tons of imported or domestic sugar. (The last allocation of domestic sugar amounting to 900 tons, was made in September 1945.) Limited quantities of evaporated milk are shipped by tank cars from North Italy to centres of consumption where local milk is in short supply (Genoa, Florence, Rome). As for production of dietetic baby foods, 17 factories with a capacity of over 10,000 tons per year, can produce 6,000 tons of products, subject to the availability of 3,600 tons of barley and wheat, 2,200 tons of sugar and 200 tons of edible fats.

*Chocolate.*

207. On the basis of the supply of 3,000 tons of cocoa beans included in the 1946 UNRRA program, the Italian chocolate industries can produce in 1946 8,000 tons of chocolate, against a normal pre-war production of 13,000 to 14,000 tons per year. The capacity of the 200 factories is over 50,000 tons per year. Other imports of cocoa, above the UNRRA program, have been scheduled by the Italian Government (e.g. 1,500 tons from France and Spain).

*Fruit Processing.*

208. The Italian fruit processing plants have always worked at a reduced rate because of the shortage and high cost of sugar. The number of jam factories in operating condition is 226. They have a capacity of 180,000 tons, and a normal pre-war (1939-1940) production exceeding 120,000 tons. Fruit pulp has always been available in excess of requirements. The stockpile left from the production of preceding years is estimated at 50,000 tons, which may be increased to 120,000 tons after the next crop. In the first half of 1946 the factories were to process 8,500 tons of sugar, to be used for producing 18,000 tons of jam. 2,500 tons of high-priced sugar substitutes (concentrated grape juice, etc.) were also used. During the second six months of 1946, the sugar stockpiles of the factories will be depleted, unless an allocation of imported sugar, which is not [illegible] A small part will be packed in tin cans, if these are available. For an additional production of about 2,000 tons of fruit in syrup, 400 tons of tin plate and 360 tons of sugar will be necessary.

*Vegetables Processing.*

209. Italy has 303 factories producing tomato paste and peeled tomatoes. They have a capacity of more than 130,000 tons and had an average pre-war production of 90,000 tons. For the 1946 season a production of 65,000 tons of concentrated tomato paste can be expected. Either glass or wood (especially barrels) can be used for packing. 1,500 tons of tin plate from the UNRRA import program of 4,000 tons for the first half of 1946, together with reclaimed tin plate, were programmed to be used for canning 10,000 tons of tomato products. A production of 3,000 tons of peeled tomatoes is also scheduled involving the use of 900 tons of allocated and reclaimed tin plate. The production of dried vegetables, since the demand for military supplies and export to Germany ceased, has dropped to almost negligible quantities due to lack of coal. Italy has 133 factories producing preserved vegetables (peas, fresh green beans, crab apples, pickled and vinegar-seasoned vegetables) with a capacity of 30,000 tons. For 1946 the estimated production is 10,000 tons: 5,000 tons of this will be canned, using an allocation of reclaimed tin plate. The rest will be packed in barrels or glass jars.

*Fish Preserving.*

210. The 107 fish-preserving plants (including eight plants in the Istria district) have a capacity of 55,000 tons (excluding hors d'oeuvres and mixed fish and vegetables preserves). They will work at a very reduced rate in 1946, due to the shortage and high cost of fresh fish and the lack of tin plate. It is estimated that 2,500 tons of fresh fish will be canned, using 500 tons of tin plate imported by UNRRA. The total 1946 production is estimated at 5,000 tons of canned fish, including sardines and anchovies, fished in territorial waters (since there will not be the usual importation of salted fish for processing from Spain and Portugal) with a total use of 900 tons of tin plate, either imported or reclaimed. There is also a scheduled import from Turkey of bonito fish for processing. This salmon type product should yield 2,000 tons of canned fish and will need 360 tons of tin plate. Imported raw material is not required for the manufacture of salted fish, which

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able milk (about 1,000 hectolitres per day) about 12,000 tons of condensed or powdered milk. However, this production is subject to the availability of 3,000 tons of imported or domestic sugar. (The last allocation of domestic sugar amounting to 900 tons, was made in September 1945.) Limited quantities of evaporated milk are shipped by tank cars from North Italy to centres of consumption where local milk is in short supply (Genoa, Florence, Rome). As for production of dietetic baby foods, 17 factories with a capacity of over 10,000 tons per year, can produce 6,000 tons of products, subject to the availability of 3,600 tons of barley and wheat, 2,200 tons of sugar and 200 tons of edible fats.

*Chocolate.*

207. On the basis of the supply of 3,000 tons of cocoa beans included in the 1946 UNRRA program, the Italian chocolate industries can produce in 1946 8,000 tons of chocolate, against a normal pre-war production of 13,000 to 14,000 tons per year. The capacity of the 200 factories is over 30,000 tons per year. Other imports of cocoa, above the UNRRA program, have been scheduled by the Italian Government (e.g. 1,500 tons from France and Spain).

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*Fish Preserving.*

210. The 107 fish-preserving plants (including eight plants in the Istria district) have a capacity of 55,000 tons (excluding hors d'oeuvres and mixed fish and vegetables preserves). They will work at a very reduced rate in 1946, due to the shortage and high cost of fresh fish and the lack of tin plate. It is estimated that 2,500 tons of fresh fish will be canned, using 500 tons of tin plate imported by UNRRA. The total 1946 production is estimated at 5,000 tons of canned fish, including sardines and anchovies, fished in territorial waters (since there will not be the usual importation of salted fish for processing from Spain and Portugal) with a total use of 900 tons of tin plate, either imported or reclaimed. There is also a scheduled import from Turkey of bonito fish for processing. This salmon type product should yield 2,000 tons of canned fish and will need 360 tons of tin plate. Imported raw material is not required for the manufacture of salted fish, which is normally packed in barrels. It is estimated that 116 small factories (with a production capacity of 20,000 tons and a normal pre-war production of over 10,000 tons of salted fish per year), will process, in 1946, 6,000 tons of fish in barrels, mostly anchovies, sardines and eels.

2001

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# TEXTILE INDUSTRY

## THE INDUSTRY AS A WHOLE

*Pre-war Situation.*

211. The textile industries in Italy occupy a vital position in Italy's economy. In 1938 they gave employment (with allied industries) to 633,000 people, that is about 14 % of the whole industrial population. The number of firms engaged in these industries was about 3,000.

212. Until 1934 the plants were primarily engaged in processing imported raw cotton and wool. In successive years there was a progressive shift toward synthetic fibers in a vain hope of assuring self-sufficiency. The total value of the output of the textile factories was estimated at about 11,000 million lire in 1938—of which 8,000 million lire were in goods and 3,000 million lire represented the value of wages and other operational services. Exports reached an average figure of about 3,000 million lire. Total Italian exports were valued at 10,000 million lire in the same year.

213. The domestic consumption of textile goods was affected by the low standard of living—which in the pre-war period limited the per-capita consumption to 6.45 Kgs. in 1935 compared with 9 Kgs. for Germany, 20 Kgs. for UK, and 12.65 for US. The various fibers contributed to Italian consumption as follows:

| | Kgs. |
|---|---|
| Cotton | 2.72 |
| Wool | 0.73 |
| Artificial fibers | 1.00 |
| Hemp, silk, flax & jute | 2.00 |
| | 6.45 |

*The War-time period.*

214. During the war there were few official figures of the output of the textile industries and it is difficult to arrive at an approximate evaluation of the textile products made available to civilian consumers.

TABLE 23

Italian Cotton Goods: Production 1938-46

| YEAR | Cotton spinning production | |
|---|---|---|
| | Thousand Kgs. | Index |
| 1938 | 178,443 | 100.0 |
| 1939 | 191,738 | 107.5 |
| 1940 | 177,546 | 99.5 |
| 1941 | 115,440 | 64.7 |
| 1942 | 76,121 | 42.7 |
| 1943 | 48,921 | 27.4 |
| 1944 | 16,555 | 9.3 |
| 1945 | 10,009 | 5.6 |
| 1946 January | 3,091 | 20.8 (1) |
| February | 4,152 | 27.9 |
| March | 5,152 | 34.7 |
| April | 7,248 | 48.7 |

(Source: Italian Cotton Institute).

216. The proportion of cotton fiber consumed decreased during the war, falling from 61.4 % of the total fibers used in 1939 to scarcely 7.3 % in 1944. The use of rayon increased proportionately, until in 1944 it represented in value 76.2 % of the total (2); the quality of the goods produced deteriorated accordingly.

217. As for artificial textile fibers (rayon, staple, lanital, waste), the following figures, supplied by C.I.A.I. (3), have been used to obtain an indication of the trend since 1938.

TABLE 24

Production of Artificial Fibers 1938-45

| | Production Thousands of Kgs. | Index 1938-100 | 1946 | Production | Index |
|---|---|---|---|---|---|
| 1938 | 126.516 | 100 | Jan. | 679 | 8.4 (1) |
| 1939 | 145.500 | 115 | Feb. | 807 | 7.6 |
| 1940 | 178.200 | 141 | Mar. | 1.198 | 11.4 |
| 1941 | 203.700 | 161 | Apr. | 1.688 | 16.0 |
| 1942 | 154.104 | 122 | May | 2.613 | 24.8 |
| 1943 | 109.380 | 86 | June | 3.379 | 32.0 |
| 1944 | 32.916 | 26 | | | |

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213. The domestic consumption of textile goods was affected by the low standard of living—which in the pre-war period limited the per-capita consumption to 6.45 Kgs. in 1935 compared with 9 Kgs. for Germany, 20 Kgs. for UK. and 12.65 for US. The various fibers contributed to Italian consumption as follows:

| | Kgs. |
|---|---|
| Cotton | 2.72 |
| Wool | 0.73 |
| Artificial fibers | 1.00 |
| Hemp, silk, flax & jute | 2.00 |
| | 6.45 |

*The War-time period.*

214. During the war there were few official figures of the output of the textile industries and it is difficult to arrive at an approximate evaluation of the textile products made available to civilian consumers. The production of cotton manufactured goods decreased rapidly from 1939. In 1944 the quantity produced was only 9.3 % of the 1938 total, and in 1945 production fell still further to about 5 % of 1938.

215. The production of cotton goods in Italy from 1938 has been as follows;

| YEAR | Thousand Kgs. | Index |
|---|---|---|
| 1938 | 178,443 | 100.0 |
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| 1940 | 177,546 | 99.5 |
| 1941 | 115,440 | 64.7 |
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| 1942 | 154.104 | 122 | May | 2.613 | 24.8 |
| 1943 | 109.380 | 86 | June | 3.379 | 32.0 |
| 1944 | 32.916 | 26 | | | |
| 1945 | 3.720 | 2.9 | | | |

(1) Monthly indexes are calculated in tables 23 and 24 on the 1938 monthly average production.

(2) This is only a proportional value, as, in actual quantity, the use of rayon has also decreased (60 million Kg. in 1939 to 12.6 million Kg. in 1944).

(3) Consiglio industriale per l'Alta Italia, (North Italy Industrial Council).

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218. The ration cards issued by the end of 1941 were based on the points system and, including also shoes, made it practically impossible for people to have sufficient points to replace such vital items as overcoats, blankets, shirts, woolen socks, leather footwear, etc.

219. So many ration points were requested for these goods that the average customer could get only one of them. The textile ration cards began to be offered on the black market at various prices, and by September 1943 the average price was about 1,000-1,200 lire per card. (Each card was worth 120 points. A man's overcoat needed from 80 to 100 points: a pair of pyjamas 30 points, etc.) Furthermore, the points were expendable only by quarters (30 points per quarter). It is therefore clear that for the last four years the average Italian consumer was obliged to live on his old peacetime wardrobe, which never was very large.

220. An extensive survey, carried out by the Allied Commission during the last quarter of 1944 in liberated Italy (south of the Gothic line), confirmed that the wardrobe of the Italian people was in very bad shape and that the apparent luxury of some people in the large cities was only a parade and one of the most striking proofs of past maldistribution. The textile industry, mainly concentrated in the North, did not suffer substantial war damage. Only the cotton mills around Naples (Cotonerie Meridionali) and the woolen mills around Prato (Tuscany) were severely hit, and even these have been repaired and are now at almost pre-war capacity.

*The Present Situation.*

221. From the summer of 1942 textile production for civilian purposes was very low. The goods produced in Northern Italy during the German occupation were of such a poor grade that even the most needy people, who were able to buy, were not interested in the supplies available.

222. When, after the liberation of Northern Italy, stocks of these finished goods, estimated at between 75,000 and 100,000 tons, entered the market, notwithstanding the high consumer need, they were not sold.

223. The low purchasing power of the average people, the very poor quality of the goods and the prospects of future availability of real cotton and woolen textiles, accounted for the lack of purchasers and led to a sudden and [illegible] fall in prices (1) (about 50 % in some

224. In May and June 1946 prices of textile goods were still quite high. Producers and distributors were anxious to avoid a downward trend of prices and lack of liquid funds hindered the disposal of the new output, produced with the first allotments of imported cotton and wool under the FEA and YT programs (2).

225. Cotton and wool were also becoming available under commercial "lavorazioni per conto" arrangements between Italian manufacturers and foreign businessmen. Under these agreements the manufacturers were producing quantities of finished goods (yarns and cloth) for account of foreign concerns who paid the Italian producers "in kind," i.e. with a certain quantity of raw materials for each unit of finished products delivered to them.

226. At the same time the low income population, while in dire need of textiles, is in no position to pay the prices asked by manufacturers, who hope to unload on the domestic market the "losses" sustained in selling abroad at international prices.

227. Moreover, the average Italian wage earner is hard put to it to make ends meet for food alone—it costs him virtually his entire salary to purchase sufficient supplementary food (over and above the low ration) to feed his family and himself. Under these conditions the average Italian cannot afford to replace worn clothing and household linen. Hospitals and institutions, short of funds because the State is operating on a budget in heavy deficit, have to go without sheets and other essentials.

*The UNRRA Program.*

228. With this situation in mind, the revised UNRRA textile imports program during 1946 includes only 34,000 tons for cotton and about 22,000 tons of wool (scoured), which correspond roughly to 0.75 Kg. of cotton and 0.50 Kg. of wool per capita i.e. respectively only 27 % and 69 % of the pre-war average consumption. Considering the need to replace worn-out clothing and the increase of population, this production is still well below average needs. Output will be supervised from the raw material to the finished product and distribution of UNRRA provided goods will be organized so as to make the clothing available to the most needy groups first. Distribution will be effected

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219. So many ration points were requested for these goods that the average customer could get only one of them. The textile ration cards began to be offered on the black market at various prices, and by September 1943 the average price was about 1,000-1,200 lire per card. (Each card was worth 120 points. A man's overcoat needed from 80 to 100 points; a pair of pyjamas 30 points, etc.) Furthermore, the points were expendable only by quarters (30 points per quarter). It is therefore clear that for the last four years the average Italian consumer was obliged to live on his old peacetime wardrobe, which never was very large.

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221. From the summer of 1942 textile production for civilian purposes was very low. The goods produced in Northern Italy during the German occupation were of such a poor grade that even the most needy people, who were able to buy, were not interested in the supplies available.

222. When, after the liberation of Northern Italy, stocks of these finished goods, estimated at between 75,000 and 100,000 tons, entered the market, notwithstanding the high consumer need, they were not sold.

223. The low purchasing power of the average people, the very poor quality of the goods and the prospects of future availability of real cotton and woolen textiles, accounted for the lack of purchasers and led to a sudden and drastic fall in prices (1) (about 50 % in some cases) while the stocks remained in the hands of the manufacturers, wholesalers and retailers.

(1) This situation is characteristic of the cotton industry; a similar situation prevails in the woolen industry, though in a less acute form.

and wool under the FEA and YT programs (2).

225. Cotton and wool were also becoming available under commercial "lavorazioni per conto" arrangements between Italian manufacturers and foreign businessmen. Under these agreements the manufacturers were producing quantities of finished goods (yarns and cloth) for account of foreign concerns who paid the Italian producers "in kind," i.e. with a certain quantity of raw materials for each unit of finished products delivered to them.

226. At the same time the low income population, while in dire need of textiles, is in no position to pay the prices asked by manufacturers, who hope to unload on the domestic market the "losses" sustained in selling abroad at international prices.

227. Moreover, the average Italian wage earner is hard put to it to make ends meet for food alone—it costs him virtually his entire salary to purchase sufficient supplementary food (over and above the low ration) to feed his family and himself. Under these conditions the average Italian cannot afford to replace worn clothing and household linen. Hospitals and institutions, short of funds because the State is operating on a budget in heavy deficit, have to go without sheets and other essentials.

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(2) The supply program of the FEA (US Foreign Economic Administration), was based on the former military relief program and a program of essential imports for second half 1945 submitted by the Italian Government. The YT Program of Italian imports financed through foreign exchange mainly available to the Italian Government as a result of the U. S. Troop Pay fund.

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through welfare organizations, cooperative societies and the normal commercial channels. The Italian Government and the public are anxious to have cotton and woolen goods made available to all Italians, regardless of their purchasing power. This is in line with the UNRRA policy.

229. The jute in the 1946 program is imported for the manufacture of sacks, essential for agricultural products, and will release raw hemp for more appropriate uses.

230. Two thousand tons of cotton imported under the 1945 program, equally divided between the UNRRA Divisions for Health and Displaced Persons, were put into production in the early part of the year. The schedule of production was delayed by an acute shortage of power during the winter months which affected all industries. Thirty-five firms shared in this work and produced about 10 million square meters of finished cloth. Thus a much needed addition has been made to the depleted supplies of the Italian hospitals. Many necessary items of clothing were made up in the Displaced Persons Division workshops.

### *THE COTTON INDUSTRY*

231. The cotton industry is the largest in the textile group. The pre-war equipment of the cotton industry was as follows:

(a) Number of spinning spindles 5,450,000
,, ,, doubling ,, 1,000,000
,, ,, looms 136,000

(b) Location:

| | Spinning Spindles % | Doubling Spindles % | Looms % |
|---|---|---|---|
| Lombardy | 48 | 42 | 68 |
| Piedmont | 27 | 27 | 21 |
| Veneto | 13 | 13 | 5 |
| Liguria | 4 | 7 | 1 |
| Central Italy | 5 | 6 | 5 |
| Southern Italy | 3 | 5 | |

(c) Employees numbered approximately 216,000, of whom 75 % were women.

(d) Cotton imports for the average of 1934-38 were

Cotton yarn 176,740 tons (average 1929-38)
,, goods 123,070 .. ( .. 1935-38)

(f) The pre-war annual exports of cotton yarn and cotton goods to all destinations, including colonies, were as follows:

Cotton yarn 24,250 tons (average 1929-38)
,, goods 33,285 .. ( .. 1935-38)

232. The difference between total production and exports, shows the domestic consumption:

Cotton yarns 152,490 tons
,, goods 89,855 ,,

The pre-war composition of cotton production during 1935-38 shows a decrease in pure cotton products from 83.4 % to 47.4 %, with a corresponding rise in mixed cotton and pure rayon products.

### *THE WOOL INDUSTRY*

233. The pre-war equipment of the wool industry was as follows:

(a) Worsted spindles (2/3 self-acting, 1/3 ring) 672,000
Woolen spindles 766,000
Looms 20,500

(b) Location:

| | Worsted Spindles % | Woolen Spindles % | Looms % |
|---|---|---|---|
| Piedmont | 60 | 48 | 43 |
| Lombardy | 8 | 9 | 14 |
| Veneto | 27 | 16 | 20 |
| Liguria | 1 | — | — |
| Tuscany | — | 23 | 22 |
| Central & Southern Italy | 4 | 4 | 1 |

(c) The total number of employees was approximately 105,000 (not including ancillary industries).

(d) Wool imports for 1929-38 were approximately 58,137 (scoured) tons per year, of which the principal sources of supply were: Australia and New Zealand (18 %), Uruguay (1[illegible] %), Argentine (22 %), South Africa (14 %), U.S.A. (10 %), Belgium (4 %), France (8 %), Italy and other countries (13 %).

(e) Pre-war production of yarn and fabric by the

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of their purchasing power. This is in line with the UNRRA policy.

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## *THE COTTON INDUSTRY*

231. The cotton industry is the largest in the textile group. The pre-war equipment of the cotton industry was as follows:

(a) Number of spinning spindles 5,450,000
" " doubling " 1,000,000
" " looms 136,000

(b) Location:

| | Spinning Spindles % | Doubling Spindles % | Looms % |
|---|---|---|---|
| Lombardy | 48 | 42 | 68 |
| Piedmont | 27 | 27 | 21 |
| Veneto | 13 | 13 | 5 |
| Liguria | 4 | 7 | 1 |
| Central Italy | 5 | 6 | 5 |
| Southern Italy | 3 | 5 | |

(c) Employees numbered approximately 216,000, of whom 75 % were women.

(d) Cotton imports for the average of 1934-38 were approximately 152,500 tons per year. Principal sources of supply were the United States (62 %), Egypt (18 %). India (17 %). Sicily and other countries (3 %).

(e) The pre-war production of cotton yarns and cotton goods was as follows:

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Cotton yarn 24,250 tons (average 1929-38)
" goods 33,285 " ( " 1935-38)

232. The difference between total production and exports, shows the domestic consumption:

Cotton yarns 152,490 tons
" goods 89,855 "

The pre-war composition of cotton production during 1935-38 shows a decrease in pure cotton products from 83.4 % to 47.4 %, with a corresponding rise in mixed cotton and pure rayon products.

## *THE WOOL INDUSTRY*

233. The pre-war equipment of the wool industry was as follows:

(a) Worsted spindles (2/3 self-acting, 1/3 ring) 672,000
Woolen spindles 766,000
Looms 20,500

(b) Location:

| | Worsted Spindles % | Woolen Spindles % | Looms % |
|---|---|---|---|
| Piedmont | 60 | 48 | 43 |
| Lombardy | 8 | 9 | 14 |
| Veneto | 27 | 16 | 20 |
| Liguria | 1 | — | — |
| Tuscany | — | 23 | 22 |
| Central & Southern Italy | 4 | 4 | 1 |

(c) The total number of employees was approximately 105,000 (not including ancillary industries).

(d) Wool imports for 1929-38 were approximately 58,137 (scoured) tons per year, of which the principal sources of supply were: Australia and New Zealand (18 %), Uruguay (1[illegible] %), Argentine (22 %), South Africa (14 %), U.K. (10 %), Belgium (4 %). France (8 %), Italy and other countries (13 %).

(e) Pre-war production of yarn and fabric by the Italian wool industry (including tops, reclaimed wool and other fibers) was as follows:

Woolen yarn 73,932 tons (average 1934-38)
" goods 49,059 " ( " 1934-38)

(f) Pre-war exports of woolen yarn and woolen fabric were as follows:

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| | | | |
|---|---|---|---|
| Woolen yarn | 1,150 tons | (average | 1929-38) |
| Pure fabric | 6,266 .. | ( .. | 1929-38) |
| Mixed fabric | 1,082 .. | ( .. | 1929-38) |

(g) Domestic consumption, i.e. the difference between production and exports, was:

| | |
|---|---|
| Woolen yarns | 72,782 tons |
| .. fabrics | 41,711 .. |

## ARTIFICIAL FIBERS INDUSTRY

*Foreword.*

234. The artificial fiber industry received a powerful stimulus under the self-sufficiency campaign which began in about 1935. In this year a great improvement was introduced in the form of rayon staple fiber, which soon became important in world markets.

235. The important increase in the production of staple fiber was chiefly due to its use as a substitute for raw cotton and partly for wool.

*Pre-war Production.*

TABLE 25

| Year | Production of Rayon (including waste) Kgs. | Production of staple fibers Kgs. | Total |
|---|---|---|---|
| 1934 | 41.000.000 | 10.000.000 | 51.000.000 |
| 35 | 42.000.000 | 30.000.000 | 72.000.000 |
| 36 | 42.000.000 | 50.000.000 | 92.000.000 |
| 37 | 52.000.000 | 71.000.000 | 123.000.000 |
| 38 | 49.000.000 | 75.000.000 | 124.000.000 |
| 39 | 57.000.000 | 86.000.000 | 143.000.000 |
| 40 | 56.000.000 | 113.000.000 | 169.000.000 |
| 41 | 62.000.000 | 135.000.000 | 197.000.000 |
| 42 | 59.000.000 | 93.000.000 | 152.000.000 |

236. During the last five years, the estimated consumption of rayon and staple fiber by the cotton and the wool manufacturers was about 30-35,000 tons per year for the cotton industry and 20-25,000 tons per year for the wool industry.

237. In other words artificial fibers, which at the beginning were intended [illegible] substitute for silk have

*Present Conditions.*

239. With the exception of some plants located in Central and Southern Italy the artificial fibers industry has not suffered heavy damage by the war. Its present productive capacity is estimated as 85 % of pre-war.

*The UNRRA Program for 1946.*

240. Under the UNRRA revised program for 1946, it is planned to import only the small quantity of cellulose necessary for the production of rayon cord for synthetic rubber tires.

*Outlook.*

241. Italy has, as soon as normal conditions return, a good chance to recover its pre-war position in world markets as the largest exporter (1) of rayon yarn and textiles.

242. Only by exporting the major portion of its output is the artificial fibers industry in a position to import necessary supplies of cellulose and coal.

## SILK

243. The silk industry has long been one of the cornerstones of the country's textile economy. There are three separate production stages: reeling, twisting and weaving. The first two are the most important.

244. The pre-war situation was approximately as follows:

| | | |
|---|---|---|
| (a) Number of reeling plants | | 676 |
| .. .. basins (1/2 in Lombardy, 1/3 in Veneto, remainder in Piedmont, Marche etc.) | | 38,300 |
| .. .. twisting plants | | 205 |
| .. .. twisting spindles | | 1,428,000 |
| .. .. weaving plants | | 182 |
| .. .. looms | | 26,900 |

(b) The total number of workers was about 100,000.

(1) Exports of rayon and staple fibers:

| Year | Export (Kgs.) |
|---|---|

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| | |
|---|---|
| Woolen yarns | 72.782 tons |
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## *ARTIFICIAL FIBERS INDUSTRY*

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237. In other words artificial fibers, which at the beginning were intended as a substitute for silk, have gradually become supplementary to rather than a substitute for natural fibers.

238. It must, however, be borne in mind that rayon manufacture requires the import of cellulose and coal in large quantities (1.15 Kg. of cellulose, and 4.0 Kg. of coal for each Kg. of rayon produced).

productive capacity is estimated as 85 % of pre-war.

### *The UNRRA Program for 1946.*

240. Under the UNRRA revised program for 1946, it is planned to import only the small quantity of cellulose necessary for the production of rayon cord for synthetic rubber tires.

### *Outlook.*

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| | .. .. twisting spindles | 1.428.000 |
| | .. .. weaving plants | 182 |
| | .. .. looms | 26.900 |

(b) The total number of workers was about 100.000.

(1) Exports of rayon and staple fibers:

| Year | Export (Kgs.) |
|---|---|
| 1939 | 42.000.000 |
| 1940 | 35.000.000 |
| 1941 | 31.000.000 |
| 1942 | 22.000.000 |

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(c) The production of raw silk from Italian cocoons is assessed at 3,000 tons of which:

700 tons for silk fabrics
1,600 .. for stocking industries
700 .. to be exported as raw silk or manufactured.

The production of 600 tons of silk waste is to be added to the above figures.

(d) The demand for silk fabric, so urgent in 1944, became less intense in 1945 when the black market, with the approach of the end of the war, was averse from risking money in uncertain speculations. Sales on the home market have since been practically non existent. The varying offers of the factories caused prices to diminish considerably during the latter part of the year. Although the factories' most pressing problem is to find export outlets, all the efforts undertaken by the businessmen concerned and by the best firms have been in vain, and it has not been possible to arrive at anything more satisfactory than some exports to the US and the UK through military channels, and an export to Sweden.

(e) During 1938 the total export of raw silk, silk waste, and silk fabric was valued at about 280 million lire.
The silk industry was always primarily an export industry and was hit by Japanese competition which took over the most important markets. After a short period of export boom, due to accumulated demands, the same serious competition is likely to develop since Japanese silk may soon again be in the market in quantity.
Exports to France may however be developed. It is anticipated that approximately 1,500 tons of silk type fabrics could be obtained for export. The raw material requirement would amount to 1,550 tons.

## *THE JUTE INDUSTRY*

245. The jute industry is mostly concentrated in Piedmont, Liguria and Lombardy.

(a) The pre-war equipment of this industry was as follows:

| | |
|---|---|
| Number of spindles | 87,600 |

(d) Imports of jute were employed almost entirely for manufactures for home consumption and only small amounts of processed jute were normally exported. The pre-war average of jute exports for 1929-38 was approximately 5,800 tons.

(e) The difference between imports and exports gives a domestic consumption of approximately 40,000 tons (average 1929-38). This takes into account the yield from raw material to processed jute.

246. UNRRA plans to import 10,000 tons of jute the bulk of which is to be used for the manufacture of jute bags for holding grain and other agricultural products.

## *HEMP AND FLAX*

247. Italy is one of the big sources of hemp in the world but the hemp industry is not among the larger textile industries.

(a) The pre-war situation was as follows:

| | |
|---|---|
| Number of spinning spindles | 130,000 |
| .. .. twisting spindles | 25,000 |
| .. .. looms | 8,300 |

(b) The total number of workers was about 25,000 plus 6,000 for the manufacture of rope, string and cordage.

(c) The requirement of the civil population is estimated at 18,000 tons of hemp fabric; in addition a further quantity of 17,000 tons of yarn is required for the manufacture of technical articles, string, cordage and twine for fishing nets. These figures leave 2,300 tons of fabric and 6,000 tons of yarn available for export. Italy used to export large quantities of raw hemp and tow (about 50,000 tons per annum).

(d) The same general conditions as in the other textile industries prevailed in the hemp and flax industries. While the special qualities of flax enabled this fabric to stand the competition of cotton, hemp has far less possibilities of large sales on the domestic market except for ropes, heavy canvas etc.

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The production of 600 tons of silk waste is to be added to the above figures.

(d) The demand for silk fabric, so urgent in 1944, became less intense in 1945 when the black market, with the approach of the end of the war, was averse from risking money in uncertain speculations. Sales on the home market have since been practically non existent. The varying offers of the factories caused prices to diminish considerably during the latter part of the year. Although the factories' most pressing problem is to find export outlets, all the efforts undertaken by the businessmen concerned and by the best firms have been in vain, and it has not been possible to arrive at anything more satisfactory than some exports to the US and the UK through military channels, and an export to Sweden.

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The silk industry was always primarily an export industry and was hit by Japanese competition which took over the most important markets. After a short period of export boom, due to accumulated demands, the same serious competition is likely to develop since Japanese silk may soon again be in the market in quantity.
Exports to France may however be developed. It is anticipated that approximately 1,500 tons of silk type fabrics could be obtained for export. The raw material requirement would amount to 1,550 tons.

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| | |
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| Number of spindles | 87,600 |
| ,, ,, looms | 5,278 |

(b) The total number of workers was about 15,000.

(c) The average jute imports for 1929-38 was approximately 48,278 metric tons per year. The principal source of supply was India.

(e) The difference between imports and exports gives a domestic consumption of approximately 40,000 tons (average 1929-38). This takes into account the yield from raw material to processed jute.

246. UNRRA plans to import 10,000 tons of jute the bulk of which is to be used for the manufacture of jute bags for holding grain and other agricultural products.

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(d) The same general conditions as in the other textile industries prevailed in the hemp and flax industries. While the special qualities of flax enabled this fabric to stand the competition of cotton, hemp has far less possibilities of large sales on the domestic market except for ropes, heavy canvas etc.
Only hemp yarns under 20 d. counts can compete with pure cotton yarns. Consequently the trend, begun with the self-sufficiency campaign, of using hemp fibers, either alone or mixed with other natural or artificial fibers, as substitute for cotton and wool, has now been reversed.

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# THE LEATHER AND FOOTWEAR INDUSTRY

## *HISTORY*

248. The tanning of hides and skins and the use of the resultant leather for the production of footwear became industrialized in the modern sense of the word only in the second half of the last century. Many outstanding improvements were then introduced in the customary thousand of years old routine. The chrome process was initiated in the tanneries and sewing and assembling machine work in the shoemaker's shops.

249. While fairly large tanneries were already in operation in Italy from the beginning of the XIX century, shoe production on an industrial scale began about 50 years ago, when mechanical equipment and processes were imported from the USA.

250. Plants were first built in Turin, Varese, Milan, Vigevano and in other towns of Northern Italy, but only after World War I did a large number of medium and small factories begin to operate in this area and in Central Italy. Now most of the factories, tanneries and shoe manufacturing, are concentrated in the following regions: Lombardy, Piedmont, Emilia and Tuscany.

251. The official figures of 1940 show: 650 tanneries with 22,000 workers and 1,250 shoe manufacturers with 49,000 workers. Less than 20 % of these include firms with more than 50 workers each.

## *PRE-WAR ANNUAL PRODUCTION*

### *Tanneries.*

252. The Italian tanneries in the pre-war period (average of the years 1934-1938) treated the following quantities of raw hides and skins:

| | | |
|---|---|---|
| 27,000,000 | Kg. | of imported raw cattle hides (dry) |
| 27,000,000 | Kg. | of imported raw cattle hides (dry) |
| 62,000,000 | ,, | of local raw cattle hides and skins (fresh) |
| 4,500,000 | ,, | of imported goat and sheep skins (salted dry). |

Almost 85 % of the above quantities went for shoe production and 15 % for technical uses (belting etc.) and novelty leather goods (luggage, saddlery, etc.).

### *Shoe manufacturers.*

253. The annual output of the Italian shoe manufacturers in the pre-war period reached an average of 25 to 30 million pairs of all-leather shoes. The need of the Italian population (about 44 million) for a wide range of products, i.e. ordinary footwear and high

## *THE WAR PERIOD*

254. During the war imports of raw hides were drastically reduced, and the production of leather substitutes increased. This increase in leather substitutes occurred notwithstanding that rubber or synthetic plastics were used as substitute binding materials. Finally all-leather shoes were forbidden by special law.

255. By 1942 the industrial shoe production had been reduced to 15,150,000 pairs for civilians and 3,000,000 pairs of Army boots. Only 13 % or about 2,000,000 pairs of civilian shoes were built with leather soles and the remainder were shoes with very little or no leather at all.

256. For the years 1943, 1944, and first half of 1945 no official figures are available, but some experts calculate that the total production in these years amounted to about 20 million pairs including shoes produced by factories and artisans. From this amount must be deducted the considerable German lootings of which no estimate is available.

257. During the six years ending July 1945 the curtailment of production has resulted in a shortage of at least 120 million pairs of new shoes needed to meet normal Italian requirements during the same period. The urgent need of replacements and repairs is thus obvious.

## *PRESENT SITUATION*

### *Productive Capacity.*

258. North Italy has retained almost its full capacity potential (only three percent of the leather and footwear plants were damaged or destroyed), while in the other regions of Central and Southern Italy war damage has reduced productive capacity to 85 % of pre-war.

### *Availability of local raw hides and skins.*

259. Taking into account the depletion of local cattle resources and the reduction in cattle slaughtering in order to build up the live-stock population once again, it has been calculated that domestic production of hides and skins will amount in 1946 only to 14-16,000 tons (40-45 % of pre-war) (1).

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came industrialized in the modern sense of the word only in the second half of the last century. Many outstanding improvements were then introduced in the customary thousand of years old routine. The chrome process was initiated in the tanneries and sewing and assembling machine work in the shoemaker's shops.

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253. The annual output of the Italian shoe manufacturers in the pre-war period reached an average of 25 to 30 million pairs of all-leather shoes. The need of the Italian population (about 44 million) for a wide range of products, i.e. ordinary footwear and high fashioned styles, sport shoes and mountaineers footwear, were met by hand-made production of local craftsmen (artisans). Most popular types among wage earners are sandals, clogs, shoes made with cloth uppers and scrap rubber for soles commonly used in summertime.

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### *Availability of local raw hides and skins.*

259. Taking into account the depletion of local cattle resources and the reduction in cattle slaughtering in order to build up the live-stock population once again, it has been calculated that domestic production of hides and skins will amount in 1946 only to 14-16,000 tons (40-45 % of pre-war) (1).

(1) The reduced rate of slaughtering especially affects the availability of skins from calves and heifers, thus reversing almost completely the import requirements which in pre-war years were mainly of hides for sole leather. On the other hand, local production of heavy hides for soling and belting will be a much greater proportion than pre-war.

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*Prices.*

260. The efficient exploitation of the indigenous production of raw hides and skins is greatly impaired by the general economic situation of Italy and the internal price structure. Domestic prices are nowhere near the international level at the established rate of exchange between the lira and the dollar or pound sterling. As an example, the price in lire for 1 Kg. of raw, dry, soling hide ready for tanning, made from imported (Argentine) hides is about 85 lire per kg. while the price for 1 Kg. of domestic hides fresh as above is about 215 lire—a difference of 130 lire per kilogram. This difference between internal and international prices is still wider for tanned leather. The prices for the auxiliary materials used in the tanning process (chestnut extract, chrome salts, colors, sulphur oil. fats, etc.) are from four to six times higher than the corresponding prices of the same commodities on the international market.

261. As a consequence, the current price in lire of the shoes now produced in Italy with domestic raw materials is four to six times higher than the prices of the same types produced in the US.

262. On the other hand the consumer's purchasing power (the average salary has been calculated at about 10,000 lire per month), is almost completely absorbed by the cost of food and does not afford generally any expenditure even for other essential commodities.

*THE UNRRA PROGRAM FOR 1946*

263. The UNRRA revised importation program includes the following quantities of raw materials to be used exclusively in the manufacture of shoes.

| | 1946 | | |
|---|---|---|---|
| | First Half (metric tons) | Second Half (metric tons) | Total (metric tons) |
| Raw hides . . | 4,000 | 2,000 | 6,000 |
| Composition soling . | 2,000 | — | 2,000 |
| Quebracho extracts . | 1,400 | — | 1,400 |

264. The UNRRA program provides for the manufacture of about 5 million pairs of shoes. The program can meet the vital needs for shoes of only about one-tenth of the Italian population, or sufficient only for the poorest and most war-battered part of the population, including more than 1,000,000 Italian and other refugees and displaced persons.

265. Because of the impossibility of securing allocations for Italy of sufficient quantities of hides, UNRRA has also undertaken a special program for repairing military surplus boots. The UNRRA Italian Mission has already turned over to the Government 514,000 repaired shoes, mostly for Italian displaced persons who have returned to their homes or are in the process of settling elsewhere. An additional 500,000 shoes will complete this special program. Most of these shoes are "mismated" shoes discarded by the US Army. They are "mated" again by a production-line process and repaired and thereafter have many miles of walking left in them.

266. The leather industry as a whole is expected to operate on a very reduced scale during 1946-47 and until normal conditions of international trade return.

267. When the leather industry is able to fill the large domestic needs, productive capacity (chiefly of the tanneries) will still be available to supply external markets, provided raw materials are forthcoming.

268. Germany in the pre-war period had large exports of leather and leather goods. The Italian leather industry is in a position to take part of this trade, especially in high grade qualities and special items.

269. On the shoe-manufacturing side, opportunities for export should be open for hand-made footwear, including fashionable shoes, sports shoes, mountain and ski boots and riding boots.

270. Other leather items which can be exported on a large scale are women's hand-bags, saddles, suit cases, trunks, and other specialized items.

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5036

# THE IRON AND STEEL INDUSTRY

## *HISTORICAL BACKGROUND*

271. The Italian iron and steel industry dates back to approximately 1870, when the first open hearth furnace was introduced.

272. The industry advanced fairly rapidly and production of steel had reached approximately 1,000,000 tons in 1932. Production was fostered under the fascist regime and further increased to a peak production of 2,344,000 tons in 1939.

exclusively carbon steel products at Bagnoli, Piombino, Portoferraio and Trieste (including steel rails, produced at Bagnoli), and the Cogne Company which specialises in high grade alloy and stainless steels. Other firms under this combine are Terni, Ansaldo and Dalmine. The only large concern entirely owned by private capital and privately managed is the Acciaierie e Ferrerie Lombarde Falck. These larger concerns accounted for about one half of Italian iron and steel production. As Tables 26 and 27 shew, there are also many smaller iron and steel firms and many metal-working plants.

TABLE 26

Italian Iron and Steel Industry in 1938

| | Number of plants | Installed power HP | Number of workers | Annual | |
|---|---|---|---|---|---|
| | | | | Working hours (Thousands of hours) | Salary paid (Thousands of lire) |
| Producing pig iron & steel | 76 | 132,222 | 19,539 | 35,668 | 112,382 |
| First operation | 68 | 503,686 | 25,949 | 19,133 | 168,078 |
| Forging & deep-drawing | 39 | 31,065 | 2,992 | 5,879 | 18,691 |
| Drawing and rolling | 163 | 35,361 | 7,452 | 13,712 | 38,046 |
| Chain manufactories | 22 | 650 | 406 | 666 | 1,645 |
| TOTA | 368 | 702,984 | 56,338 | 105,058 | 338,842 |

273. The steel industry was practically taken over by the Government in 1933 with the aim of securing independence from foreign supplies. Evidence of this is the rapid expansion of the electrical production of pig iron and the steel. In 1937 powers of control over this industry were placed in corporations, and the financial control exercised by a special holding company, the

## *TYPES OF INSTALLATIONS*

### *Blast furnaces for pig iron production.*

275. Prior to the war, there were 14 blast furnaces with an annual productive capacity of approximately 1,200,000 tons of pig iron. The Ilva Company operated 12 of these furnaces in their plants at Bagnoli, Piom-

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271. The Italian iron and steel industry dates back to approximately 1870, when the first open hearth furnace was introduced.

272. The industry advanced fairly rapidly and production of steel had reached approximately 1,000,000 tons in 1932. Production was fostered under the fascist regime and further increased to a peak production of 2,314,000 tons in 1939.

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274. The Italian Government now owns and controls through its agencies almost 70 % of the steel industry, including two groups responsible for production in all stages from ore to the finished product. Included in these two groups are the Ilva Company which produces exclusively carbon steel products at Bagnoli, Piombino, Portoferraio and Trieste (including steel rails, produced at Bagnoli), and the Cogne Company which specialises in high grade alloy and stainless steels. Other firms under this combine are Terni, Ansaldo and Dalmine. The only large concern entirely owned by private capital and privately managed is the Acciaierie e Ferrerie Lombarde Falck. These larger concerns accounted for about one half of Italian iron and steel production. As Tables 26 and 27 shew, there are also many smaller iron and steel firms and many metal-working plants.

*TYPES OF INSTALLATIONS*

*Blast furnaces for pig iron production.*

275. Prior to the war, there were 14 blast furnaces with an annual productive capacity of approximately 1,200,000 tons of pig iron. The Ilva Company operated 12 of these furnaces in their plants at Bagnoli, Piombino, Portoferraio and Trieste, with a daily production of 1,610 tons. The Cogne Company operated two furnaces at Aosta with 400 tons daily production. The retreating Germans completely destroyed nine of these furnaces and badly damaged one. This left two furnaces at Aosta and two at Trieste in operating condition, with an annual productive capacity of 400,000 tons.

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*Electric furnaces for producing pig iron.*

276. Prior to the war there were 120 electric furnaces producing pig iron in Italy. These suffered very little war damage, the major loss being two furnaces removed to Germany from the Terni plant. The annual productive capacity of the electric furnaces is 270,000 tons of pig iron.

*Open hearth steel furnaces.*

277. At the end of 1939 Italy had 310 open hearth furnaces, their rating varying between 25 and 110 tons each. Their yearly productive capacity was 2,750,000 tons of steel. This annual capacity was reduced to approximately 2,000,000 tons through war damage to the Bagnoli, Torre Annunziata, Portoferraio, Piombino and Terni plants. As a result of rebuilding this capacity has been increased to 2,500,000 tons.

*Electric furnaces for producing steel.*

278. Some 125 electric furnaces, mainly in Northern Italy, capable of producing about 1,750,000 tons of steel a year, suffered practically no war damage.

*Rolling mills.*

279. A few of the more modern of the 311 rolling mills existing in Italy prior to the war were removed to Germany and to provide against the closing of a large number of old and inefficient mills, kept going by the availability of cheap labor.

## *PRODUCTION*

*Pig iron.*

280. Table 28 gives the production of pig iron for the years 1935 to 1945 and shows an increase in electric furnaces output. The accelerated activity of production for war in the period 1938 to 1941 is noteworthy.

TABLE 27

Iron and Steel Plants in Italy Classified According to Size: 1937

| | Less than 100 employees | | From 101 to 500 employees | | From 501 to 1000 emplyees | | From 1001 to 2000 employees | | Over 2000 employees | |
|---|---|---|---|---|---|---|---|---|---|---|
| | No. of plants | No. of workers | No. of plants | No. of workers | No. of plants | No. of workers | No. of plants | No. of workers | No. of plants | No. of workers |
| Producing Pig-Iron & Steel | 23 | 920 | 35 | 8302 | 9 | 5764 | 4 | 4589 | — | — |
| First operation | 13 | 427 | 38 | 10528 | 7 | 4822 | 6 | 7702 | 1 | 2470 |
| Forging & deep-drawing | 32 | 757 | 6 | 1624 | 1 | 611 | — | — | — | — |
| Drawing and rolling | 132 | 2932 | 20 | 4520 | — | — | — | — | — | — |
| Chain factories | 20 | 259 | 1 | 147 | — | — | — | — | — | — |
| TOTAL | 220 | 5295 | 100 | 25121 | 17 | 11197 | 10 | 12291 | 1 | 2470 |

TABLE 28

Production of pig iron 1935-45

| Year | Total production | ELECTRIC FURNACES | | BLAST FURNACES | |
|---|---|---|---|---|---|
| | | Production | % of total production | Production | % of total production |
| 1935 | 628,000 | 64,995 | 10.4 | 560,746 | 89,1 |
| 1936 | 747,000 | 73,834 | 9.9 | 673,517 | 90,1 |
| 1937 | 790,000 | 106,169 | 13.4 | 683,7[illegible] | 86,5 |
| 1938 | 863,000 | 80,659 | 9.4 | 782,170 | 90,6 |
| 1939 | 1,008,000 | 139,651 | 13.8 | 868,830 | 86,2 |
| 1940 | 1,050,000 | 177,692 | 16.4 | 882,296 | 83,6 |
| 1941 | 1,036,000 | 258,565 | 25.0 | 777,533 | 75,0 |
| 1942 | 889,000 | 213,069 | 24.0 | 676,545 | 76,1 |

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ductive capacity of the electric furnaces is 270.000 tons of pig iron.

*Open hearth steel furnaces.*

277. At the end of 1939 Italy had 310 open hearth furnaces, their rating varying between 25 and 110 tons each. Their yearly productive capacity was 2,750,000 tons of steel. This annual capacity was reduced to approximately 2,000,000 tons through war damage to the Bagnoli, Torre Annunziata, Portoferraio, Piombino and Terni plants. As a result of rebuilding this capacity has been increased to 2,500,000 tons.

*Electric furnaces for producing steel.*

278. Some 125 electric furnaces, mainly in Northern Italy, capable of producing about 1.750.000 tons of steel a year, suffered practically no war damage.

*Rolling mills.*

279. A few of the more modern of the 311 rolling mills existing in Italy prior to the war were removed to Germany, some others were partially damaged. The yearly productive capacity of about 4.500.000 tons was reduced by about 10 %. The total capacity of the steel producing and steel fabricating equipment has far exceeded production in its peak year. These capacities were built up to provide proper maintenance time for the furnaces,

*Pig iron.*

280. Table 28 gives the production of pig iron for the years 1935 to 1945 and shows an increase in electric furnaces output. The accelerated activity of production for war in the period 1938 to 1941 is noteworthy.

TABLE 27

Iron and Steel Plants in Italy Classified According to Size: 1937

| | Less than 100 employees | | From 101 to 500 employees | | From 501 to 1000 employees | | From 1001 to 2000 employees | | Over 2000 employees | |
|---|---|---|---|---|---|---|---|---|---|---|
| | No. of plants | No. of workers | No. of plants | No. of workers | No. of plants | No. of workers | No. of plants | No. of workers | No. of plants | No. of workers |
| Producing Pig-Iron & Steel . | 23 | 920 | 35 | 8302 | 9 | 5764 | 4 | 4589 | — | — |
| First operation . . . | 13 | 427 | 38 | 10528 | 7 | 4822 | 6 | 7702 | 1 | 2470 |
| Forging & deep-drawing . | 32 | 757 | 6 | 1624 | 1 | 611 | — | — | — | — |
| Drawing and rolling . . | 132 | 2932 | 20 | 4520 | — | — | — | — | — | — |
| Chain factories . . . | 20 | 259 | 1 | 147 | — | — | — | — | — | — |
| TOTAL | 220 | 5295 | 100 | 25121 | 17 | 11197 | 10 | 12291 | 1 | 2470 |

TABLE 28

Production of pig iron 1935-45

| Year | Total production | ELECTRIC FURNACES | | BLAST FURNACES | |
|---|---|---|---|---|---|
| | | Production | % of total production | Production | % of total production |
| 1935 | 626,000 | 64,995 | 10.4 | 560,746 | 89,1 |
| 1936 | 747,000 | 73,834 | 9.9 | 673,517 | 90,1 |
| 1937 | 790,000 | 106,169 | 13.4 | 683,7[illegible] | 86,5 |
| 1938 | 863,000 | 80,659 | 9.4 | 782,170 | 90,6 |
| 1939 | 1,008,000 | 139,651 | 13.8 | 868,830 | 86,2 |
| 1940 | 1,050,000 | 177,692 | 16.4 | 882,296 | 83,6 |
| 1941 | 1,036,000 | 258,565 | 25.0 | 777,533 | 75,0 |
| 1942 | 889,000 | 213,069 | 24.0 | 676,545 | 76,1 |
| 1943 | 643,000 | 162,944 | 25.0 | 480,897 | 75,0 |
| 1944 | 231,000 | 109,310 | 47,0 | 121,695 | 53,0 |
| 1945 (1) | 61,000 | 61,000 | 100,0 | — | — |

(1) Northern Italy only (no data available for Central and Southern Italy in 1945).

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*Steel production.*

231. The production of basic steel, ingots and castings, from 1935 to 1945 is shown in Table 29. Again the increasing importance of electric power is indicated in the comparison between electric and open hearth steel:

TABLE 29

Production of Steel Ingots and Castings 1935-45

| YEAR | Total production (tons.) | Per cent. of total | |
|---|---|---|---|
| | | Open hearth production | Electric furnaces production |
| 1935 . . . | 2,202,000 | 74.6 | 25.4 |
| 1936 . . . | 2,024,000 | 70.4 | 29.6 |
| 1937 . . . | 2,086,000 | 71.5 | 28.5 |
| 1938 . . . | 2,307,000 | 72.5 | 27.5 |
| 1939 . . . | 2,344,000 | 74.5 | 25.5 |
| 1940 . . . | 2,054,000 | 70.0 | 36.0 |
| 1941 . . . | 2,056,000 | 63.0 | 37.0 |
| 1942 . . . | 1,926,000 | 65.0 | 35.0 |
| 1943 . . . | 1,727,000 | not available | not available |
| 1944 . . . | 1,025,000 | » | » |
| 1945 . . . | 336,000(1) | » | » |

(1) Northern Italy only.

*Steel fabrication.*

232. Rolling of the basic steel gave a final production of the finished material as in Table 30:

TABLE 30

Production of steel shapes, sheets, tubes, etc. 1935-38

| Year | Bars, rails and sections | Rods | Sheets | Seamless Tubes | Total |
|---|---|---|---|---|---|
| 1935 | 1,182,864 | 186,354 | 412,375 | 115,402 | 1,906,999 |
| 1936 | 947,044 | 144,067 | 411,631 | 116,625 | 1,615,729 |
| 1937 | 1,016,111 | 165,186 | 411,253 | 115,305 | 1,707,855 |
| 1938 | 970,222 | 169,684 | 467,350 | 127,309 | 1,734,565 |



| | Tons. |
|---|---|
| Ore mined in Italy . . . . . | 990,043 |
| Pyrites ash produced in Italy . . | 536,662 |
| Ore imported . . . . . | 385,792 |
| Total ore available | 1,912,497 |
| Less exports | 191 |
| Total ore consumed | 1,912,306 |

285. The average grade of locally mined ore is 50 % Fe. and was obtained from the following sources in 1938:

| | Tons. |
|---|---|
| Tuscany (Elba) . . . . . | 608,266 |
| Piedmont (Cogne) . . . . . | 201,176 |
| Piedmont (other) . . . . . | 700 |
| Lombardy . . . . . | 69,309 |
| Sardinia . . . . . | 97,295 |
| Other regions . . . . . | 13,297 |
| Total | 990,043 |

286. The potential productive capacity of Italian mines is much larger than is utilized under normal conditions. An example of this is that Cogne increased its production of 201,176 tons in 1938 to 661,847 tons in 1942.

287. Since 1939-40 the distribution of nearly all ores with the exception of those from Cogne has been regulated by a Government-controlled combine known as Ferromin. This has a bearing on the economical utilization of the ores by smelters.

288. Operation is not expected to be resumed on a large scale at the mines for some time owing to existing stocks which are large in relation to the present rate of use.

289. The largest import requirement is coal. During the year in which steel production was highest, the steel industry consumed approximately 1,600,000 tons of coal, of which 300,000 tons were produced locally, the balance being imported from the U.K., Germany and Poland.

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TABLE 29

## Production of Steel Ingots and Castings 1935-45

| YEAR | Total production (tons.) | Per cent. of total | |
|---|---|---|---|
| | | Open hearth production | Electric furnaces production |
| 1935 . . . | 2,202,000 | 74.6 | 25.4 |
| 1936 . . . | 2,024,000 | 70.4 | 29.6 |
| 1937 . . . | 2,086,000 | 71.5 | 28.5 |
| 1938 . . . | 2,307,000 | 72.5 | 27.5 |
| 1939 . . . | 2,344,000 | 74.5 | 25.5 |
| 1940 . . . | 2,054,000 | 70.0 | 36.0 |
| 1941 . . . | 2,056,000 | 63.0 | 37.0 |
| 1942 . . . | 1,926,000 | 65.0 | 35.0 |
| 1943 . . . | 1,727,000 | not available | not available |
| 1944 . . . | 1,025,000 | » | » |
| 1945 . . . | 336,000(1) | » | » |

(1) Northern Italy only.

*Steel fabrication.*

282. Rolling of the basic steel gave a final production of the finished material as in Table 30:

TABLE 30

## Production of steel shapes, sheets, tubes, etc. 1935-38

| Year | Bars, rails and sections | Rods | Sheets | Seamless Tubes | Total |
|---|---|---|---|---|---|
| 1935 | 1,182,864 | 186,354 | 412,375 | 115,402 | 1,906,999 |
| 1936 | 947,044 | 114,067 | 411,631 | 116,625 | 1,615,729 |
| 1937 | 1,016,111 | 165,186 | 411,253 | 115,305 | 1,707,855 |
| 1938 | 970,222 | 169,684 | 467,350 | 127,309 | 1,734,565 |

*RAW MATERIALS*

283. To achieve the production of pig iron and steel outlined above, certain materials need to be imported.

284. Italy normally produced 75 % of its raw ore requirements. The balance it imported. The national needs were supplied in 1938 as follows:

| | |
|---|---|
| Total ore available | 1,912,497 |
| Less exports | 191 |
| Total ore consumed | 1,912,306 |

285. The average grade of locally mined ore is 50 % Fe. and was obtained from the following sources in 1938:

| | Tons. |
|---|---|
| Tuscany (Elba) . . . . . | 608,266 |
| Piedmont (Cogne) . . . . . | 201,176 |
| Piedmont (other) . . . . . | 700 |
| Lombardy . . . . . | 69,369 |
| Sardinia . . . . . | 97,295 |
| Other regions . . . . . | 13,297 |
| Total | 990,043 |

286. The potential productive capacity of Italian mines is much larger than is utilized under normal conditions. An example of this is that Cogne increased its production of 201,176 tons in 1938 to 661,847 tons in 1942.

287. Since 1939-40 the distribution of nearly all ores with the exception of those from Cogne has been regulated by a Government-controlled combine known as Ferromin. This has a bearing on the economical utilization of the ores by smelters.

288. Operation is not expected to be resumed on a large scale at the mines for some time owing to existing stocks which are large in relation to the present rate of use.

289. The largest import requirement is coal. During the year in which steel production was highest, the steel industry consumed approximately 1,600,000 tons of coal, of which 300,000 tons were produced locally, the balance being imported from the U.K., Germany and Poland. The increase in the number of operating pig iron electrical furnaces (which require less than half the coal consumed in the blast furnaces), and the increase in electric steel furnaces have effected continuing economies in coal consumption.

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290. Only pig iron of special quality for producing specialized steels was required to be imported before the war. If the policy of replacing war-damaged blast furnaces with electric furnaces is carried through, imports of normal pig iron up to 20 % of the total requirements will still have to be made.

291. The following Table shows the relative quantities of pig iron imported:

TABLE 31

Sources of Pig-Iron 1930-39

| | Pig-iron imported tons | Pig-iron produced tons |
|---|---|---|
| 1930 . . . . . | 156,680 | N. A. |
| 1935 . . . . . | 78,202 | 626,000 |
| 1936 . . . . . | 27,095 | 747,000 |
| 1937 . . . . . | 221,185 | 790,000 |
| 1938 . . . . . | 68,830 | 863,000 |
| 1939 . . . . . | 34,680 | 1,008,000 |

N. A. - Not available.

292. Another large import for the steel industry has always been scrap steel, the bulk of this commodity coming from the US and France.

293. The following Table gives the imports of steel scrap in 1930 to 1939:

TABLE 32

Imports of steel scrap 1930-39

| YEAR | Tons |
|---|---|
| 1930 . . . . . | 855,383 |
| 1935 . . . . . | 989,996 |
| 1936 . . . . . | 400,423 |
| 1937 . . . . . | 545,254 |
| 1938 . . . . . | 615,639 |
| 1939 . . . . . | 606,000 |

*WAR DAMAGE AND REHABILITATION*

pig iron furnaces, which had never before been in operation. This physical damage cut productive capacity by approximately 60 %.

295. Before the liberation of the North, steel production in Italy south of the Gothic Line was practically nil. However, production in the North had maintained a fairly high level until its liberation in the summer of 1945. The Allied Commission jointly with the Italian Government drew up a plan (a) to import certain key and essential raw materials, and (b) to assist the rehabilitation of the pig iron furnaces, but this program did not become effective until very late in 1945. Thus the lowest productive year in the Italian steel industry was 1945, when steel production was down to 15 % of normal.

296. The Italian Government-A.C. program aimed at re-establishing the industry to approximately 50 % of normal and in March 1946 production of basic steel was approximately 70,000 tons, or 45 % of normal Italian requirements.

*UNRRA PROGRAM*

297. In April 1946, UNRRA, to assist the Italian Government in the rehabilitation of the Italian steel industry, drew up a further plan of importation and assistance. Under this plan sufficient raw materials would be imported to satisfy the internal requirements of Italian industry for 1946, estimated at 1,600,000 tons of steel.

298. The UNRRA April plan makes provision for the importation of 990,000 tons coal, 90,000 tons pig iron, 140,000 tons finished and semi-finished steel, 120 tons of tin, 10,000 tons manganese ore, 750 tons nickel, 15 tons copper, 49,500 tons refractories, 12,000 tons petroleum products and sufficient alloying elements to enable 1,600,000 tons of steel to be produced.

299. Coal is the key import and if substantial quantities of coal can be provided this output can easily be achieved. There is, also, a seasonal element. Much of the production is carried out from April to November, at which time substantial excess electric power is available. Electrode materials, especially anthracite, are needed at the right time to permit the steel industry to profit by this available power.

*OUTLOOK*

300. Since the war employment figures have decreased

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| 1937 | 545,254 |
| 1938 | 615,639 |
| 1939 | 606,000 |

*WAR DAMAGE AND REHABILITATION*

294. War damage included the complete loss of nine blast furnaces, or 70 % of coke-fired pig iron producing facilities; approximately 20 open hearth furnaces; of 20 % of the coal-fired steel producing furnaces; approximately five electric furnaces, or five per cent. of the electric steel producing facilities, and two electric tained a fairly high level until its liberation in the summer of 1945. The Allied Commission jointly with the Italian Government drew up a plan (a) to import certain key and essential raw materials, and (b) to assist the rehabilitation of the pig iron furnaces, but this program did not become effective until very late in 1945. Thus the lowest productive year in the Italian steel industry was 1945, when steel production was down to 15 % of normal.

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*OUTLOOK*

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300. Since the war employment figures have decreased only slightly in spite of the fact that production has dropped to a low level and is only now slowly recovering. This has, in conjunction with other post-war conditions, produced an unhealthy condition within the industry. The production of pig iron and steel from June 1945 to June 1946 in Northern Italy was as follows:

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| | | PIG-IRON | | STEEL | |
|---|---|---|---|---|---|
| | | Thousands of tons | Index 1938=100 | Thousands of tons | Index 1938=100 |
| June | 1945 | 2.447 | 7.9 | 20.521 | 14.5 |
| September | » | 12.652 | 40.8 | 33.947 | 24.0 |
| December | » | 3.011 | 9.7 | 50.791 | 35.8 |
| January | 1946 | 3.135 | 10 1 | 50.767 | 35.8 |
| February | » | 1.710 | 5.5 | 47.683 | 33.6 |
| March | » | 1.808 | 5.8 | 54.837 | 38.7 |
| April | » | 9.517 | 30.7 | 67.113 | 47.4 |
| May | » | 15.634 | 50 5 | 75.915 | 53.6 |
| June | » | 18.937 | 61.1 | 74.376 | 53.5 |

301. It is believed that steel production, and especially fabrication of small and specialized sections and sheets, can be economically conducted in Italy. These are some of the reasons:

(a) Approximately one ton of imported raw materials is required to produce one ton of steel. The fact that the source and quality of these imported materials can be selected in such manner as to give the most efficient results offers some advantages.

(b) The production of steel shapes in small sizes requiring extra labor can be competitively produced in Italy, owing to the presence of low cost labor.

(c) Cheap peak electric power is available to the industry during the high-water seasons of the year.

(d) Specialized high-grade steel, equal to any steel produced in the world, can be produced for export in plants that normally have available very high grade ores.

302. Conversion of production facilities from solid fuel firing to electricity substantially aids the recovery of the steel industry.

303. Further rationalization of the industry would be an advantage. Establishments have been built and

## THE MACHINE INDUSTRIES

*History.*

304. The Italian machine industries date back to the IX century. The evolution from the artisan and small workshops to modern industrialized processes was slow. During the Napoleonic period Italian mechanical production began to have some importance, but actually its growth was directly associated with railway development beginning about 1840. At the end of the XIX century the use of electric power on a large scale marked the beginning of an evolution towards big industry organization.

305. Mechanical production increased 300 % in productive capacity during the 46 years between 1867 to 1913. This expansion was greatly accelerated during the first world war, particularly in the automobile, tire, aircraft, and shipbuilding industries.

306. At the end of the first world war, Italy had a production larger than was needed for the internal market. Only by substantial financial support of the larger firms by the Government was a collapse avoided. From this time Italian Government protection, in the form of high import tariffs and subsidized exports, increased. This protection reached a climax under the so-called "antarchic," fascist, policy which was officially established in 1935.

307. During the immediate pre-war period 8,210 firms employing a total of approximately 363,600 workers (manual and professional) were engaged in the machine industries.

*Electro-technical Industry.*

308. The number of electrical equipment production factories reached 616, of which 10 large firms were equipped for manufacturing generators, transformers and big machinery; the remainder were small size factories especially equipped for the manufacture of switch gear and protective apparatus. The average yearly production in the electro-technical industry was as follows:

(a) generators, transformers, mercury rectifiers—a total power equivalent of 2,000,000 Kw;

(b) locomotives, street-cars, and trolley buses—1,250 units;

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| | | | | | |
|---|---|---|---|---|---|
| June | 1945 | 2.447 | 7.9 | 20.521 | 14.5 |
| September | » | 12.652 | 40.8 | 33.947 | 24.0 |
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301. It is believed that steel production, and especially fabrication of small and specialized sections and sheets, can be economically conducted in Italy. These are some of the reasons:

(a) Approximately one ton of imported raw materials is required to produce one ton of steel. The fact that the source and quality of these imported materials can be selected in such manner as to give the most efficient results offers some advantages.

(b) The production of steel shapes in small sizes requiring extra labor can be competitively produced in Italy, owing to the presence of low cost labor.

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(d) Specialized high-grade steel, equal to any steel produced in the world, can be produced for export in plants that normally have available very high grade ores.

302. Conversion of production facilities from solid fuel firing to electricity substantially aids the recovery of the steel industry.

303. Further rationalization of the industry would be an advantage. Establishments have been built and operated in the past with facilities to produce all types of steel products, each establishment thus entering into every branch of production. A plan designed to centralize production and increase the degree of specialization would contribute much to the advancement of the industry.

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*Electro-technical Industry.*

308. The number of electrical equipment production factories reached 616, of which 10 large firms were equipped for manufacturing generators, transformers and big machinery; the remainder were small size factories especially equipped for the manufacture of switch gear and protective apparatus. The average yearly production in the electro-technical industry was as follows:

(a) generators, transformers, mercury rectifiers—a total power equivalent of 2,000,000 Kw;

(b) locomotives, street-cars, and trolley buses—1,250 units;

(c) motors, from a quarter Kw to 200 Kw—250,000 units;

(d) transformers up to 1,000 Kw—10,000 units;

(e) electric bulbs about 60 million.

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*Automotive Industry.*

309. Automobile production was concentrated in some 169 body manufacturing firms and 13 assembly firms, employing approximately 12,000 people.

310. Table 33 shows the production of these firms up to 1938.

TABLE 33

Production of Automotive Vehicles, 1934-35

| TYPES | 1934 | 1935 | 1936 | 1937 | 1938 |
|---|---|---|---|---|---|
| Passenger Cars No. . | 40,812 | 40,569 | 36,183 | 61,189 | 58,974 |
| Trucks . . . . | 3,984 | 8,625 | 14,887 | 13,917 | 10,144 |
| Total (1) | 44,796 | 49,194 | 51,070 | 75,106 | 69,118 |

(1) Special motor-vehicles, i.e. Custom built cars are excluded.

311. The expanded production shown in Table 33 decreased towards the end of the war and fell sharply in 1945 so that in April 1946 it was only 4 % of normal. War damage is estimated at 20 %.

312. No official production statistics are available for the late war period. Table 34, which relates to the production of the FIAT company, the largest automotive firm in Italy, provides a rough index of production conditions.

TABLE 34

Index of production of FIAT Company
Jan. 1945 to May 1946

| MONTH | | Production Index (1933-39 = 100) |
|---|---|---|
| January | 1945 | 8.24 |
| February | » | 11.41 |
| March | » | 8.51 |
| April | » | 4.26 |
| May | » | 14.43 |
| June | » | 32.11 |
| July | » | 36.26 |
| August | » | 23.72 |
| September | » | 42.89 |
| October | » | 56.11 |
| November | » | 51.15 |
| December | » | 46.57 |
| January | 1946 | 55.91 |
| February | » | 56.87 |
| March | » | 47.96 |
| April | » | 53.22 |
| May | » | 62.64 |

313. Exportation of automobiles from Italy has always been fairly high. It reached a peak of 342,200,000 lire in 1929. During the industrial collapse after 1929 these exports declined to less than 100 million lire and then recovered during the period 1934 to 1938 to 182,800,000 lire. This was 25 % of total production. Imports and exports of motor cars and parts are given in Tables 35 and 36.

314. The main customers for Italian motor cars were Germany, Switzerland, Hungary, British India and Dutch East Indies, and the Argentine. Trucks were exported mainly to Manchuria, Poland and Switzerland.

TABLE 35

Imports and Exports of Automobiles and parts 1929-38

| DESCRIPTION | | QUANTITIES | | | | | |
|---|---|---|---|---|---|---|---|
| | | 1929 | 1934 | 1935 | 1936 | 1937 | 1938 |
| | | | | IMPORT | | | |
| Motor vehicles for transport of persons . | No. | 7,407 | 59 | 10 | 128 | 24 | 23 |
| Tractors . . . . . | » | | 1,159 | 753 | 411 | 527 | 265 |
| Other motor-vehicles . . . . . | » | | 54 | 36 | 14 | 40 | 415 |
| Motor-car bodies and parts of same . . | Qls. | 3,231 | 159 | 16 | 113 | 58 | 224 |
| Engines for motor-vehicles . . . | » | (a) | 137 | 280 | 208 | 134 | 290 |
| Spare parts for motor-vehicles . . . | » | 12,774 | 8,971 | 4,913 | 6,838 | 11,918 | 7,478 |
| Carburettors and parts of same . . | » | (a) | 298 | 175 | 50 | 77 | 50 |
| | | | | EXPORT (1) | | | |
| Motor vehicles for transport of persons . | No. | | 8,526 | 12,770 | 12,679 | 20,867 | 16,567 |

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310. Table 33 shows the production of these firms up to 1938.

TABLE 33

## Production of Automotive Vehicles, 1934-35

| TYPES | 1934 | 1935 | 1936 | 1937 | 1938 |
|---|---|---|---|---|---|
| Passenger Cars No. . | 40,812 | 40,569 | 36,183 | 61,189 | 58,974 |
| Trucks . . . . | 3,984 | 8,625 | 14,887 | 13,917 | 10,144 |
| Total (1) | 44,796 | 49,194 | 51,070 | 75,106 | 69,118 |

(1) Special motor-vehicles, i.e. Custom built cars are excluded.

311. The expanded production shown in Table 33 decreased towards the end of the war and fell sharply in 1945 so that in April 1946 it was only 4 % of normal. War damage is estimated at 20 %.

312. No official production statistics are available for the late war period. Table 34, which relates to the production of the FIAT company, the largest automotive firm in Italy, provides a rough index of production conditions.

| | | |
|---|---|---|
| January | 1945 | 8.24 |
| February | » | 11.41 |
| March | » | 8.51 |
| April | » | 4.26 |
| May | » | 14.43 |
| June | » | 32.11 |
| July | » | 36.26 |
| August | » | 23.72 |
| September | » | 42.89 |
| October | » | 56.11 |
| November | » | 51.15 |
| December | » | 16.57 |
| January | 1946 | 35.91 |
| February | » | 56.87 |
| March | » | 47.96 |
| April | » | 53.22 |
| May | » | 62.64 |

313. Exportation of automobiles from Italy has always been fairly high. It reached a peak of 342,200,000 lire in 1929. During the industrial collapse after 1929 these exports declined to less than 100 million lire and then recovered during the period 1934 to 1938 to 182,300,000 lire. This was 25 % of total production. Imports and exports of motor cars and parts are given in Tables 35 and 36.

314. The main customers for Italian motor cars were Germany, Switzerland, Hungary, British India and Dutch East Indies, and the Argentine. Trucks were exported mainly to Manchuria, Poland and Switzerland.

TABLE 35

## Imports and Exports of Automobiles and parts 1929-38

| DESCRIPTION | | QUANTITIES | | | | | |
|---|---|---|---|---|---|---|---|
| | | 1929 | 1934 | 1935 | 1936 | 1937 | 1938 |
| | | | | IMPORT | | | |
| Motor vehicles for transport of persons . | No. | | 59 | 10 | 128 | 24 | 23 |
| Tractors . . . . . | » | 7,407 | 1,159 | 753 | 411 | 527 | 265 |
| Other motor-vehicles . . . . . | » | | 54 | 36 | 14 | 40 | 415 |
| Motor-car bodies and parts of same . . | Qls. | 3,231 | 159 | 16 | 113 | 5035 | 224 |
| Engines for motor-vehicles . . . | » | (a) | 137 | 280 | 208 | 134 | 290 |
| Spare parts for motor-vehicles . . . | » | 12,774 | 8,971 | 4,913 | 6,838 | 11,918 | 7,478 |
| Carburettors and parts of same . . | » | (a) | 298 | 175 | 50 | 77 | 50 |
| | | | | EXPORT (1) | | | |
| Motor-vehicles for transport of persons . | No. | | 8,526 | 12,770 | 12,679 | 20,867 | 16,567 |
| Tractors . . . . . | » | 23,259 | 71 | 21 | 15 | 15 | 8 |
| Other motor-vehicles . . . . . | » | | 463 | 251 | 285 | 608 | 890 |
| Motor-car bodies and parts of same . . | Qls. | 143 | 1,566 | 3,369 | 2,802 | 4,865 | 5,479 |
| Engines for motor-vehicles . . . | » | (a) | 544 | 1,081 | 275 | 55 | 229 |
| Spare parts for motor-vehicles . . . | » | 1,581 | 10,279 | 11,667 | 10,308 | 6,636 | 7,056 |
| Carburettors and parts of same . . | » | (a) | 6 | 2 | 23 | 16 | 23 |

(a) Included in other items – (1) Italian Colonies excluded.

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TABLE 36

Exports to Italian Colonies of Automobiles and parts: 1934 to 1938

| DESCRIPTION | | 1934 | 1935 | 1936 | 1937 | 1938 |
|---|---|---|---|---|---|---|
| | | QUANTITY | | | | |
| Motor-vehicles for transport of persons | N. | 333 | 978 | 2,363 | 4,913 | 1,715 |
| Tractors | » | 17 | 11 | 26 | 128 | 89 |
| Other motor-vehicles | » | 112 | 876 | 5,070 | 6,977 | 976 |
| Motor-car bodies and parts of same | Qls. | 173 | 171 | 870 | 1,638 | 437 |
| Engines for motor-vehicles | » | 70 | 230 | 1,034 | 1,134 | 408 |
| Spare parts for motor vehicles | » | 2,928 | 7,212 | 43,061 | 47,046 | 37,151 |
| Carburettors and parts of same | » | — | 4 | 15 | 2 | 654 |
| | | VALUE (thousands of lire) | | | | |
| Motors-vehicles for transport of persons | | 4,276 | 9,948 | 27,627 | 50,002 | 36,000 |
| Tractors | | 348 | 162 | 441 | 5,758 | 2,905 |
| Other motor-vehicles | | 3,205 | 32,833 | 245,186 | 404,935 | 66,744 |
| Motor-car bodies and parts of same | | 130 | 126 | 618 | 1,834 | 582 |
| Engines for motor.-vehicles | | 175 | 383 | 1,696 | 2,271 | 838 |
| Spare parts for motor-vehicles | | 5,133 | 13,398 | 85,530 | 111,660 | 84,309 |
| Carburettors and parts of same. | | — | 1 | 25 | 47 | 2,261 |
| | Totals | 13,267 | 56,853 | 361,123 | 576,597 | 193,639 |

*Production of Farm Machinery.*

315. The production of farm machinery was not as highly developed as might have been expected. Farming equipment and methods of cultivation, especially in the Southern regions of Italy, are not in line with modern development.

316. Following the first world war the industry expanded and in 1939 it met approximately 80 % of internal requirements. In 1939 Italy imported 4,700 tons and exported (mainly to its colonies) 1,700 tons of agricultural machinery.

TABLE 37

Farm machinery
1939 Production and 1946 Requirements

| Type of equipment | 1946 Requirements No. of units | 1939 Production No. of units |
|---|---|---|
| Tractors | 2,500 | 1,400 |

317. Factories in Southern and Central Italy were somewhat damaged by warfare, but the North Italian industry, practically unscathed, has a productive capacity of about 70 % of the pre-war total for the whole country. The machinery required to meet Italy's expanded agricultural program in 1946 is given in the first column of Table 37. With the arrival of raw materials scheduled in the UNRRA import program for basic industries, and assuming sufficient coal is made available, the 1946 requirements listed in Table 37 can be provided from home resources.

*Shipbuilding.*

318. Before the war 310 shipyards (including repair shops) were working. Their productive capacity reached the average figure of 200,000 tons of shipping per year. Manpower averaged 200,000.

319. It is well known that some of the biggest and

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| | | | | | | |
|---|---|---|---|---|---|---|
| | | | QUANTITY | | | |
| Motors-vehicles for transport of persons | N. | 333 | 978 | 2,363 | 1,913 | 1,715 |
| Tractors | » | 17 | 11 | 26 | 128 | 89 |
| Other motor-vehicles | » | 112 | 876 | 5,070 | 6,977 | 978 |
| Motor-car bodies and parts of same | Qls. | 173 | 171 | 870 | 1,638 | 437 |
| Engines for motor-vehicles | » | 70 | 230 | 1,034 | 1,134 | 408 |
| Spare parts for motor vehicles | » | 2,928 | 7,212 | 43,061 | 47,046 | 37,151 |
| Carburettors and parts of same | » | — | 4 | 15 | 2 | 654 |
| | | | VALUE (thousands of lire) | | | |
| Motors-vehicles for transport of persons | | 4,276 | 9,948 | 27,627 | 50,002 | 36,000 |
| Tractors | | 348 | 162 | 441 | 5,758 | 2,905 |
| Other motor-vehicles | | 3,205 | 32,833 | 245,186 | 404,935 | 66,744 |
| Motor-car bodies and parts of same | | 130 | 126 | 618 | 1,834 | 582 |
| Engines for motor.-vehicles | | 175 | 383 | 1,696 | 2,271 | 838 |
| Spare parts for motor-vehicles | | 5,133 | 13,398 | 85,530 | 111,660 | 84,309 |
| Carburettors and parts of same | | — | 1 | 25 | 47 | 2,261 |
| | Totals | 13,267 | 56,853 | 361,123 | 576,597 | 193,639 |

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TABLE 37

Farm machinery
1939 Production and 1946 Requirements

| Type of equipment | 1946 Requirements No. of units | 1939 Production No. of units |
|---|---|---|
| Tractors | 2,500 | 1,400 |
| Ploughs | 30,000 | 30,000 |
| Threshing Machines | 800 | 600 |
| Sowing » | 10,000 | 10,000 |
| Reaping » | 8,000 | 5,000 |
| Mechanical hay-shifting rakes | 3,000 | 2,000 |

317. Factories in Southern and Central Italy were somewhat damaged by warfare, but the North Italian industry, practically unscathed, has a productive capacity of about 70 % of the pre-war total for the whole country. The machinery required to meet Italy's expanded agricultural program in 1946 is given in the first column of Table 37. With the arrival of raw materials scheduled in the UNRRA import program for basic industries, and assuming sufficient coal is made available, the 1946 requirements listed in Table 37 can be provided from home resources.

*Shipbuilding.*

318. Before the war 310 shipyards (including repair shops) were working. Their productive capacity reached the average figure of 200,000 tons of shipping per year. Manpower averaged 200,000.

319. It is well known that some of the biggest and most modern liners in the world were built in Italy's shipyards. The shipyards also built coastal shipping, of which Italy, with its long coast line and terrain, has special need.

320. The production of shipping tonnage during the period 1919-1942 was:

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TABLE 38

Number and gross tonnage of vessels of 100 tons and above launched in Italian Shipyards, 1919-1942

| YEAR | Number of ships | Gross tons |
|---|---|---|
| 1919 | 32 | 82,713 |
| 1920 | 82 | 133,190 |
| 1921 | 86 | 170,948 |
| 1922 | 42 | 101,177 |
| 1923 | 21 | 66,523 |
| 1924 | 19 | 82,526 |
| 1925 | 31 | 142,046 |
| 1926 | 27 | 220,021 |
| 1927 | 25 | 101,076 |
| 1928 | 29 | 58,640 |
| 1929 | 32 | 71,457 |
| 1930 | 36 | 87,709 |
| 1931 | 33 | 165,048 |
| 1932 | 8 | 47,441 |
| 1933 | 3 | 16,560 |
| 1934 | 6 | 26,638 |
| 1935 | 4 | 22,667 |
| 1936 | 7 | 11,345 |
| 1938 | 13 | 93,503 |
| 1939 (1) | 6 | 49,460 |
| 1940 (1) | 8 | 44,311 |
| 1941 | 14 | 119,419 |
| 1942 (1) | 20 | 115,789 |

(1) Vessels completed.

321. The size of the Italian Merchant Navy throughout these years is shown in Table 39:

TABLE 39

Number and gross tonnage of vessels of 100 tons and over, 1929-39

(according to Lloyd's Register)

| YEAR | Number of vessels | Gross tons |
|---|---|---|
| 1929 | 1,380 | 3,284,660 |
| 1930 | 1,380 | 3,331,226 |
| 1931 | 1,347 | 3,335,673 |
| 1932 | 1,323 | 3,390,572 |
| 1933 | 1,278 | 3,149,807 |
| 1934 | 1,242 | 3,928,396 |
| 1935 | 1,231 | 2,884,406 |
| 1936 | 1,246 | 3,098,159 |
| 1937 | 1,270 | 3,212,634 |
| 1938 | 1,293 | 3,290,484 |
| 1939 | 1,335 | 3,448,453 |

*Railway Rolling Stock.*

323. Railway rolling stock in the year 1939 was produced by 68 plants employing approximately 22,000 men.

324. This branch of industry could satisfy entirely the internal demand with a margin for export. The maximum yearly production and pre-war production capacity were as follows:

TABLE 40

Actual and potential production of rolling stock, pre-war

| Types of rolling stock | Production | |
|---|---|---|
| | Actual No. | Capacity No. |
| Steam locomotives | — | 350 |
| Diesel & Diesel electric locomotives | — | 400 |
| Self-propelling internal combustion railway cars | 150 | 300 |
| Passenger cars | 1,000 | 1,500 |
| Freight & special cars | 8,000 | 12,000 |
| Street cars & trolley buses (mechanical part) | 700 | 2,000 |
| Railway electric locomotives | 100 | 300 |

This industry also repaired from 25,000 to 35,000 passenger and freight cars per annum.

325. The above data does not take into consideration the production of the State Railway workshops which had (and now intend to rebuild under their own management) important working equipment.

326. The larger industries suffered considerable war damage. As, however, actual capacity exceeds production, these industries will be in a position to make a large contribution to the reconstruction program.

327. To facilitate a rapid rebuilding of rolling stock, UNRRA is importing approximately 15,000 tons of finished steel and 10,000 tons of finished lumber, in an effort to meet the following 1946 goals for new production:

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| YEAR | Number of ships | Gross tons |
|---|---|---|
| 1919 | 32 | 82,713 |
| 1920 | 82 | 133,190 |
| 1921 | 86 | 170,948 |
| 1922 | 42 | 101,177 |
| 1923 | 21 | 66,523 |
| 1924 | 19 | 82,526 |
| 1925 | 31 | 142,046 |
| 1926 | 27 | 220,021 |
| 1927 | 25 | 101,076 |
| 1928 | 29 | 58,640 |
| 1929 | 32 | 71,457 |
| 1930 | 36 | 87,709 |
| 1931 | 33 | 165,048 |
| 1932 | 8 | 47,441 |
| 1933 | 3 | 16,560 |
| 1934 | 6 | 26,638 |
| 1935 | 4 | 22,667 |
| 1936 | 7 | 11,345 |
| 1938 | 13 | 93,503 |
| 1939 (1) | 6 | 49,460 |
| 1940 (1) | 8 | 44,311 |
| 1941 | 14 | 119,419 |
| 1942 (1) | 20 | 115,789 |

(1) Vessels completed.

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(according to Lloyd's Register)

| YEAR | Number of vessels | Gross tons |
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| 1933 | 1,278 | 3,149,807 |
| 1934 | 1,242 | 3,928,396 |
| 1935 | 1,231 | 2,884,406 |
| 1936 | 1,246 | 3,098,159 |
| 1937 | 1,270 | 3,212,634 |
| 1938 | 1,293 | 3,290,484 |
| 1939 | 1,335 | 3,448,453 |

322. During the war approximately 3,291,052 gross tons were lost (vessels sunk, seized in Allied ports, etc.) so that now Italy owns (including all vessels repaired and refitted during recent months) only 123 units of more than 100 tons, totalling 507,880 gross tons.

324. This branch of industry could satisfy entirely the internal demand with a margin for export. The maximum yearly production and pre-war production capacity were as follows:

TABLE 40

Actual and potential production of rolling stock, pre-war

| Types of rolling stock | Production | |
|---|---|---|
| | Actual No. | Capacity No. |
| Steam locomotives | — | 350 |
| Diesel & Diesel electric locomotives | — | 400 |
| Self-propelling internal combustion railway cars | 150 | 300 |
| Passenger cars | 1,000 | 1,500 |
| Freight & special cars | 8,000 | 12,000 |
| Street cars & trolley buses (mechanical part) | 700 | 2,000 |
| Railway electric locomotives | 100 | 300 |

This industry also repaired from 25,000 to 35,000 passenger and freight cars per annum.

325. The above data does not take into consideration the production of the State Railway workshops which had (and now intend to rebuild under their own management) important working equipment.

326. The larger industries suffered considerable war damage. As, however, actual capacity exceeds production, these industries will be in a position to make a large contribution to the reconstruction program.

327. To facilitate a rapid rebuilding of rolling stock, UNRRA is importing approximately 15,000 tons of finished steel and 10,000 tons of finished lumber, in an effort to meet the following 1946 goals for new production:

| | |
|---|---|
| Freight cars | 10,000 |
| Passenger » | 700 |
| Steam locomotives | 20 |
| Diesel rail cars | 20 |
| Electric locomotives | 75 |

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328. It is further estimated that a repair program for 1946 will make available for use further quantities of equipment as follows:

| | |
|---|---|
| Passenger cars . . . . . | 2,000 |
| Freight . . . . . | 19,000 |
| Steam locomotives . . . . | 500 |
| Diesel rail cars . . . . . | 200 |
| Electric locomotives . . . . | 100 |

329. In addition to the materials mentioned above, UNRRA imports include coal and petroleum products for this production program. The balance of raw material requirements can be furnished locally.

330. For some years to come the total production of the workshops will be absorbed in maintaining and rebuilding existing transportation facilities. New lines and expansion of the electrification of railroads to keep step with increased availability of hydro-electric power will be necessary in the future.

## *MINING INDUSTRY* (1)

331. In mine products Italy is poor and a dependent nation. Only in mercury, marble, zinc, sulphur, talc, pumice, building stones and bauxite has Italy been self-supporting.

332. Under the fascist regime production in key minerals was encouraged by the formation of "Aziende," in which the State had a controlling interest, and by advantageous concessions to operations of "marginal" properties.

333. Pre-war mineral exports consisted mainly of three items: sulphur 33 %, marble 33 % and mercury 20 % for a value of about $17,000,000. The value of imported mineral products was about seven times this amount and consisted principally of coal, oil and iron ore.

334. The following Tables 41 and 42 summarize Italian mining activities between 1925 and 1942. Table 54 shows the relative self-sufficiency of Italy in minerals.

335. Physical war damage suffered by the Italian mining industry was not serious, amounting to not more than 15 %.

November 1943 and made responsible for (a) production of mines; (b) recruitment of labor for mines; (c) requisition of mining supplies.

337. Supplies for the mines constituted the major problem affecting their rehabilitation and operation. Inventories of expendable items at the Sicilian and Sardinian mines were low. Requisitions were, therefore, submitted through Army channels for importation of supplies that could not be obtained through local availabilities.

### *Sulphur.*

338. Sulphur has been produced in Sicily since the earliest times; at one time the Sicilian mines supplied practically the whole world. Italian sulphur production is now exceeded only by that of the United States. The principal producing districts are the provinces of Caltanissetta, Enna and Agrigento and, on the mainland, in the Marche-Romagna region. In Sicily the producers are numerous and small and some 123 properties are operating. The Montecatini Company controls 40-45 % of Italian sulphur.

339. In 1940 a sales organisation, Ente Zolfi, which had been in existence since 1906 became the official Government body to control sulphur export.

340. The general post-war conditions have affected production costs so that the economic export of sulphur at the present time is difficult. Nevertheless production at the Sicilian sulphur mines is now approximately 7,000 tons a month.

### *Mercury.*

341. Italy has long been the most important producer of mercury in the world and before the war divided the market with Spain under a cartel arrangement. All deposits in Italy are concentrated in the Monte Amiata district and at Idria in Gorizia province. The Idria mine is the second largest single producer in the world, Almadem in Spain being the largest. The Idria mine output in recent years has declined both in quantity and grade but the mine still has large and rich reserves. The Monte Amiata Co. which is responsible for 63 %

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| | |
|---|---|
| Passenger cars | 2,000 |
| Freight | 19,000 |
| Steam locomotives | 506 |
| Diesel rail cars | 200 |
| Electric locomotives | 100 |

329. In addition to the materials mentioned above, UNRRA imports include coal and petroleum products for this production program. The balance of raw material requirements can be furnished locally.

330. For some years to come the total production of the workshops will be absorbed in maintaining and rebuilding existing transportation facilities. New lines and expansion of the electrification of railroads to keep step with increased availability of hydro-electric power will be necessary in the future.

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334. The following Tables 41 and 42 summarize Italian mining activities between 1925 and 1942. Table 54 shows the relative self-sufficiency of Italy in minerals.

335. Physical war damage suffered by the Italian mining industry was not serious, amounting to not more than 15 %.

336. During the Allied Control period, the Mining Division, Allied Commission was created by AFHQ in problem affecting their rehabilitation and operation. Inventories of expendable items at the Sicilian and Sardinian mines were low. Requisitions were, therefore, submitted through Army channels for importation of supplies that could not be obtained through local availabilities.

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342. The Italian mines were highly productive during the early part of the war but production began to fall in 1942. Mercury production figures are as follows:

(1) For domestic production of solid fuel see para 113.

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TABLE 41

## Production of Minerals in Italy, 1925-42

(Tons.)

| Year | Solid fuels | SULPHUR ORES | | | LEAD AND ZINC ORES | | | |
|---|---|---|---|---|---|---|---|---|
| | | Mercury | Raw Sulphur | Pyrites | Lead Concentrates | Lead & Zinc. | Zinc Concentrates | Low Grade Zinc |
| 1925 | 1,296,696 | 217,152 | 1,774,275 | 493,806 | 51,362 | 1,883 | 177,085 | — |
| 1930 | 818,146 | 243,138 | 2,233,845 | 717,270 | 49,978 | — | 163,650 | 37,044 |
| 1935 | 989,108 | 118,553 | 1,941,816 | 833,402 | 39,934 | — | 98,013 | 46,109 |
| 1940 | 4,396,946 | 253,927 | 2,135,019 | 1,060,568 | 75,030 | 1,040 | 154,223 | 57,288 |
| 1941 | 4,459,369 | 263,491 | 1,978,600 | 997,857 | 66,974 | 3,080 | 139,702 | 52,476 |
| 1942 | 4,907,950 | 227,753 | 1,592,891 | 970,624 | 51,130 | 5,820 | 172,231 | — |

TABLE 42

## Employment in Mining Industry, 1925-40

| Year | No. of workers | Year | No. of workers |
|---|---|---|---|
| 1925 | 47,289 | 1935 | 43,764 |
| 1930 | 48,134 | 1940 | 112,736 |

TABLE 43

## Production of mercury 1930-1945

| Year | Total production | Production at | |
|---|---|---|---|
| | | Idria | Amiata |
| | (Number of flasks) | | |
| 1930 | 54,300 | 13,000 | 22,500 |
| 1935 | 31,147 | 8,087 | 14,860 |
| 1940 | 82,600 | 13,800 | 35,500 |
| 1941 | 82,900 | 14,600 | 35,000 |
| 1942 | 72,750 | 11,050 | 32,400 |
| 1943 | 61,945 | 8,400 | 29,545 |

***Zinc and Lead.***

344. Italy has three lead smelters with a total capacity of 47,000 tons of lead and four zinc reduction plant with an annual capacity of 45,000 tons.

345. The consumption and source of lead and zinc for 1938, the last normal year were as follows:

TABLE 44

## Lead and zinc in 1938

| LEAD | | |
|---|---|---|
| | Ore and Concentrates (95 % recovery) (tons) | Smelted metal (tons) |
| Primary production (from ore) . | 39,000 | 44,031 |
| Secondary production (from scrap) | — | 4,381 |
| Imports . . . . . | 7,000 | 5,468 |
| | 46,000 | 53,880 |

| ZINC | | | | |
|---|---|---|---|---|
| | Sulphide (tons) | Ore and Concentrates (90 % recovery) | | Smelted metal (tons) |
| | | Carbonate (tons) | Total (tons) | |
| Production . | 61,000 | 23,000 | 84,000 | 33,747 |
| Exports . . | — | — | 39,000 | — |
| Imports . . | — | — | — | 1,784 |
| | 61,000 | 23,000 | 45,000 | 35,531 |

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(Tons.)

| Year | Solid fuels | SULPHUR ORES | | | LEAD AND ZINC ORES | | | |
|---|---|---|---|---|---|---|---|---|
| | | Mercury | Raw Sulphur | Pyrites | Lead Concentrates | Lead & Zinc. | Zinc Concentrates | Low Grade Zinc |
| 1925 | 1,296,696 | 217,152 | 1,774,275 | 493,806 | 51,362 | 1,883 | 177,085 | — |
| 1930 | 818,146 | 243,138 | 2,233,845 | 717,270 | 49,978 | — | 163,650 | 37,044 |
| 1935 | 989,108 | 118,553 | 1,941,816 | 833,402 | 39,934 | — | 98,013 | 46,109 |
| 1940 | 4,396,946 | 253,927 | 2,135,019 | 1,060,568 | 75,030 | 1,040 | 154,223 | 57,288 |
| 1941 | 4,459,369 | 263,491 | 1,973,600 | 997,857 | 66,974 | 3,680 | 139,702 | 52,476 |
| 1942 | 4,907,950 | 227,753 | 1,592,891 | 970,624 | 51,430 | 5,820 | 172,231 | — |

TABLE 42

## Employment in Mining Industry, 1925-40

| Year | No. of workers | Year | No. of workers |
|---|---|---|---|
| 1925 | 47,289 | 1935 | 43,764 |
| 1930 | 48,134 | 1940 | 112,736 |

TABLE 43

## Production of mercury 1930-1945

| Year | Total production | Production at | |
|---|---|---|---|
| | | Idria | Amiata |
| | (Number of flasks) | | |
| 1930 | 54,300 | 13,000 | 22,500 |
| 1935 | 31,147 | 8,087 | 14,860 |
| 1940 | 82,600 | 13,800 | 35,500 |
| 1941 | 82,900 | 14,600 | 35,000 |
| 1942 | 72,750 | 11,050 | 32,400 |
| 1943 | 61,945 | 8,400 | 29,545 |

### *Zinc and Lead.*

343. Lead and zinc mining are important industries. In the past Italian zinc and lead production plants have not been able to smelt the entire output or to provide Italian requirements of the metals. In 1938 ore and concentrates were exported and 12 % of Italy's lead requirements and 3 % of its zinc requirements were imported in the form of metal.

344. Italy has three lead smelters with a total capacity of 47,000 tons of lead and four zinc reduction plants with an annual capacity of 45,000 tons.

345. The consumption and source of lead and zinc for 1938, the last normal year were as follows:

TABLE 44

## Lead and zinc in 1938

| LEAD | | |
|---|---|---|
| | Ore and Concentrates (95 % recovery) (tons) | Smelted metal (tons) |
| Primary production (from ore) . | 39,000 | 44,031 |
| Secondary production (from scrap) | — | 4,381 |
| Imports . . . . . | 7,000 | 5,468 |
| | 46,000 | 53,880 |

| ZINC | | | | |
|---|---|---|---|---|
| | Sulphide (tons) | Ore and Concentrates (90 % recovery) | | Smelted metal (tons) |
| | | Carbonate (tons) | Total (tons) | |
| Production . | 61,000 | 23,000 | 54,000 | 33,747 |
| Exports . . | — | — | 39,000 | — |
| Imports . . | — | — | — | 1,784 |
| | 61,000 | 23,000 | 45,000 | 35,531 |

346. Production was resumed at the zinc and lead reduction plants with 450 tons of zinc and approximately 1,300 tons of lead in April 1946. Maintenance of this production rate, and any increase, depend on the availability of coke.

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347. The size and distribution of major Italian industries have now been considered. Smaller industries, of prime importance to the general economy of the country, are being assisted by UNRRA, and in a few instances, due to their key importance, are receiving more imported materials than some of the larger industries.

## *Rubber Industry.*

### (a) *General.*

348. The Italian rubber industry is a well-integrated and important factor in the industrial structure of the country. The leader in the field is the Pirelli Company which controls approximately 80 % of the total industry, including all products. A smaller, but also important organization is the Michelin plant at Turin.

349. The industry can manufacture a wide range of products. Under normal conditions the importation of finished rubber goods into Italy is small in relation to total consumption. From 20 to 25 % of the finished goods produced are normally exported to European markets. A small percentage of specialized articles is normally exported to the United States.

350. Prior to the war, Italy produced approximately 25 % of its total raw rubber requirements in synthetic rubber plants using alcohol as the raw material. The operation of these factories was stopped during the war due to the conflict between the use of food and feeding stuffs for the production of alcohol and the need for rubber. No effort has been made to restart these plants, since the need for agricultural products for direct human consumption is still pressing.

351. Practically all raw materials for the production of rubber goods must be imported, the only exception being some special accelerators and chemicals required for compounding.

352. The rubber industry suffered considerable war damage, particularly the Pirelli plants at Tivoli and Milan. This damage, however, has been almost completely repaired and at least 95 % of the manufacturing facilities is now available for production.

### (b) *1946 UNRRA Program.*

353. There is a severe shortage of tires and mechanical

TABLE 45

Italian Requirements for Rubber Products, 1946

| | |
|---|---|
| Truck tires | 600,000 units |
| Passegers cars | 380,000 » |
| Motocycle tires | 30,000 » |
| Inner tubes | 870,000 » |
| Bicycle tires | 5,300,000 » |
| Bicycle inner tubes | 4,000,000 » |
| Soles and heels for footwear | 5,000 » |
| Ebonite | 1,600 » |
| Hose | 1,750 tons |
| Sanitary articles | 340 » |
| Elastic Thread | 215 » |
| Mechanical rubber parts | 5,600 » |
| Rubber clothing | 260,000 units |
| Rubber footwear | 8,000,000 pairs |
| Rubber insulated electric cables | 100,000 Km. |

354. To provide essential raw materials for the rubber industries, the UNRRA program has been drawn up to cover 80 % of the productive capacity and includes natural and synthetic rubber, latex, carbon black, and special chemicals for rubber manufacture, as follows:

| | |
|---|---|
| Natural rubber | 9,822 tons |
| Synthetic rubber | 9,823 » |
| Latex etc. | 488 » |
| Carbon Black | 7,900 » |
| Special chemicals for rubber manufacture | 1,169 » |

355. Closely related to the manufacture of automotive tires and mechanical rubber goods is that of electric cables. The Pirelli factories have a recognized world position in this field and have contributed much to the development of high-tension cables. The revival of this industry also forms part of the UNRRA program and in addition to the importation of rubber and textile fibers for use in cables, electrolytic copper is an important item in the UNRRA import plan.

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[illegible] being assisted by UNRRA, and in a few instances, due to their key importance, are receiving more imported materials than some of the larger industries.

### *Rubber Industry.*

(a) *General.*

348. The Italian rubber industry is a well-integrated and important factor in the industrial structure of the country. The leader in the field is the Pirelli Company which controls approximately 80 % of the total industry, including all products. A smaller, but also important organization is the Michelin plant at Turin.

349. The industry can manufacture a wide range of products. Under normal conditions the importation of finished rubber goods into Italy is small in relation to total consumption. From 20 to 25 % of the finished goods produced are normally exported to European markets. A small percentage of specialized articles is normally exported to the United States.

350. Prior to the war, Italy produced approximately 25 % of its total raw rubber requirements in synthetic rubber plants using alcohol as the raw material. The operation of these factories was stopped during the war due to the conflict between the use of food and feeding stuffs for the production of alcohol and the need for rubber. No effort has been made to restart these plants, since the need for agricultural products for direct human consumption is still pressing.

351. Practically all raw materials for the production of rubber goods must be imported, the only exception being some special accelerators and chemicals required for compounding.

352. The rubber industry suffered considerable war damage, particularly the Pirelli plants at Tivoli and Milan. This damage, however, has been almost completely repaired and at least 95 % of the manufacturing facilities is now available for production.

(b) *1946 UNRRA Program.*

353. There is a severe shortage of tires and mechanical rubber goods in Italy at the present time and the revival of the rubber industry has received top priority, both in the earlier military programs and in the UNRRA program for 1946. The total requirements of important rubber articles for 1946 are estimated by the Italian Government to be as follows:

| | | |
|---|---|---|
| Truck tires | 600,000 | units |
| Passengers cars | 380,000 | » |
| Motorcycle tires | 30,000 | » |
| Inner tubes | 870,000 | » |
| Bicycle tires | 5,300,000 | » |
| Bicycle inner tubes | 4,000,000 | » |
| Soles and heels for footwear | 5,000 | » |
| Ebonite | 1,600 | » |
| Hose | 1,750 | tons |
| Sanitary articles | 340 | » |
| Elastic Thread | 215 | » |
| Mechanical rubber parts | 5,600 | » |
| Rubber clothing | 260,000 | units |
| Rubber footwear | 8,000,000 | pairs |
| Rubber insulated electric cables | 100,000 | Km. |

354. To provide essential raw materials for the rubber industries, the UNRRA program has been drawn up to cover 30 % of the productive capacity and includes natural and synthetic rubber, latex, carbon black, and special chemicals for rubber manufacture, as follows:

| | | |
|---|---|---|
| Natural rubber | 9,822 | tons |
| Synthetic rubber | 9,823 | » |
| Latex etc. | 488 | » |
| Carbon Black | 7,900 | » |
| Special chemicals for rubber manufacture | 1,169 | » |

355. Closely related to the manufacture of automotive tires and mechanical rubber goods is that of electric cables. The Pirelli factories have a recognized world position in this field and have contributed much to the development of high-tension cables. The revival of this industry also forms part of the UNRRA program and in addition to the importation of rubber and textile fibers for use in cables, electrolytic copper is an important item in the UNRRA import plan.

(c) *Outlook.*

356. Provided that adequate raw materials can be obtained by Italy on the world market, the future of the rubber industry in Italy is bright. With the excellent manufacturing facilities now available and the technical

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knowledge gained from continued research and development work, the industry should be in a position greatly to expand its export market to European countries both for tires and mechanical rubber goods. It is however doubtful whether synthetic rubber can be produced economically in Italy in competition with that derived from petroleum in the United States. It is doubtful also whether synthetic rubber produced in Italy will be competitive with natural rubber, which still is preferred for use in this industry.

*Building Materials.*

357. In the period 1935-1938, domestic building and public works construction sponsored in Italy included: slum clearance projects, cooperative farm settlements, low-cost housing for industrial workers and public works projects. The following Tables give an indication of the volume of home construction and public works projects initiated in this period:

TABLE 46

Construction in Italy, 1935-1938

| YEAR | New | Additions to Standing Structures | Rooms Total |
|---|---|---|---|
| | (All Units in terms of Rooms) | | |
| 1935 | 253,554 | 141,883 | 395,437 |
| 1936 | 284,936 | 154,874 | 439,810 |
| 1937 | 228,255 | 109,369 | 335,624 |
| 1938 | 149,382 | 77,889 | 226,271 |

TABLE 47

Italian Public Works, 1935-1937

| YEAR | No. of projects (Building, Railways and stations, Docks, Hydraulic Stations, Roads, etc.) |
|---|---|
| 1935 | 1,673,240 |
| 1936 | 1,422,393 |
| 1937 | 1,313,329 |

358. The current requirements for new construction and for repairs are extremely great as the result of war damage. This is true not only of industrial plants and

359. These needs will place a heavy load on the building materials industry in Italy. It is probable that the full capacity of the industry will be employed for many years to come.

360. The facilities for manufacturing building materials are discussed briefly below. These materials are supplemented to a great extent by the use of local stone as a common wall construction material.

(a) *Brick and Tile.*

361. It is estimated that Italy has approximately 1,700 brick and tile plants employing approximately 60,000 people. 1937 production from these plants was approximately as follows:

TABLE 48

| | No. |
|---|---|
| Solid Bricks | 1,267,264,000 |
| Hollow Bricks | 283,020,000 |
| Flat and Curved Tiles | 130,439,000 |
| Other types tiles and bricks | 66,454,000 |

362. The distribution of brick and tile plants is rather general throughout the country, since there are few areas in Italy which do not contain suitable clays for the manufacture of these materials. The largest installations are located in the Cremona, Mantova and Piacenza areas. Most of the plants are equipped with Hoffman kilns, using waste fuels such as coal or coke dust, charcoal, wood, and sawdust and, therefore, for satisfactory operation, represent only a small drain on the nation's fuel imports. Except for the kilns, however, the plants are not particularly modern and few are equipped with pre-dryers. The operation is seasonal in nature, but is generally satisfactory for Italian purposes. This industry suffered little war damage and at the present time is capable of furnishing all local needs. The plants have almost all operated to capacity during 1945 and 1946.

(b) *Cement.*

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363. Due to the shortage of steel in Italy, "Portland" cement has become one of its most important structural materials. In 1938, the production of 172 firms was

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also whether synthetic rubber produced in Italy will be competitive with natural rubber, which still is preferred for use in this industry.

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| YEAR | No. of projects (Building, Railways and stations, Docks, Hydraulic Stations, Roads, etc.) |
|---|---|
| 1935 | 1,673,246 |
| 1936 | 1,422,393 |
| 1937 | 1,318,329 |

358. The current requirements for new construction and for repairs are extremely great as the result of war damage. This is true not only of industrial plants and public works but also of dwellings. In Central and Southern Italy, towns were heavily damaged and villages demolished as the result of bombing and artillery fire. Many large cities in Italy experienced damage up to 15 to 20 % of the total housing facilities, and damage of industrial buildings probably exceeds this proportion, as a common wall construction material.

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|---|---|
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(b) *Cement.*

363. Due to the shortage of steel in Italy, "Portland" cement has become one of its most important structural materials. In 1938, the production of 172 firms was estimated at four million tons.

364. The equipment available in the cement industry is a mixture of very old and very modern. Production from the newer plants represents about 70 % of the total. "Portland" cement is used in a variety of dif-

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ferent types of construction (notably in poured structures, with or without reinforcing steel) as mortar for stone and brick masonry construction and for external and internal surfacing of walls.

365. Many modern plants, particularly in the Florence and Pisa areas, suffered damage as a result of German demolition. These plants are being rapidly repaired and at the present time about 80 % are in use. Due to the heavy equipment involved in cement manufacture, the repair of damage of this type is difficult. Practically all this equipment was originally imported from Denmark, Germany and the United States.

366. The manufacture of "Portland" cement requires large quantities of coal, amounting to approximately 20 % by weight of the cement produced. The industry has been adequately supplied with fuel and can satisfy all immediate requirements for rehabilitation.

*Lumber.*

367. Italy produced, just prior to the war, approximately 75 % of its lumber requirements within the country. During the war, and since the war, the forest reserves of the country have been reduced by excessive cutting. To protect the remainder of the forests, a maximum importation of lumber is planned. A plan of reforestation for preservation of the timber supply of Italy has been drawn up.

368. The average number of employees engaged annually in the lumber and woodworking industries in Italy during the two years preceding the war was 447,577. The lumber industry takes fourth place among Italian production industries. Woodworking was sub-divided in 1938 as follows:

(a) 2,720 saw mills with 38,765 employees (not including artisan shops).

(b) 300 artisan firms for the production of charcoal.
100 artisan firms for the production of poles.
50 artisan firms for the production of wooden barrels.
150 artisan firms for the production of nails and frame works.

The approximate number of employees in these [illegible] 7,500.

369. The importation of lumber from the year 1933 to 1938 inclusive was:

TABLE 49

Lumber Imports, 1933-1938

(tons)

| YEAR | Common | Special |
|---|---|---|
| 1933 . . . . . | 1,229,776 | 13,070 |
| 1934 . . . . . | 1,251,214 | 7,940 |
| 1935 . . . . . | 1,246,476 | 8,546 |
| 1936 . . . . . | 578,230 | 3,151 |
| 1937 . . . . . | 858,703 | 5,572 |
| 1938 . . . . . | 570,276 | 3,913 |

370. Having regard to the present world shortage of lumber, the program of industrial supplies for the first half of 1946 was limited to 20,000 tons of heavy beams, timber, and planks for immediate use in industries producing, repairing and maintaining railway vehicles and small coastwise vessels. UNRRA is cooperating with the Italian Government to obtain from Austria and other sources as much lumber as possible to furnish urgent Italian needs. Careful salvage within the country will be necessary to complete the 1946 lumber requirements.

*Glass.*

371. Before the war the glass industry in Italy was a well balanced and important part of the industrial economy. The industry has profited from the long experience gained in the manufacture of decorative objects from glass, and there have been important exports from Italy for many years.

372. The glass industry is an important customer for soda ash and other chemicals produced by Italian industry. Basic raw materials, such as lime and silica, are readily available in the country. The glass industry is a large consumer of imported fuels, which explains the limited expansion in exports of standard items such as window glass, glass blocks, etc.

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(b) 300 artisan firms for the production of charcoal.
100 artisan firms for the production of poles.
50 artisan firms for the production of wooden barrels.
150 artisan firms for the production of nails and frame works.

The approximate number of employees in these artisan firms was 7,500.

(c) Plywood—34 firms with 3,000 workers. Production capacity—120,000 cubic meters per year.

(d) Wooden crates—445 firms with 1,200 employees.

(e) Furniture—1,000 firms organized as large-scale industries employing almost 18,000 workers.

Lumber Imports, 1933-1938

(tons)

| YEAR | Common | Special |
|---|---|---|
| 1933 | 1,229,776 | 13,070 |
| 1934 | 1,251,214 | 7,940 |
| 1935 | 1,246,476 | 8,546 |
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| 1937 | 858,703 | 5,572 |
| 1938 | 570,276 | 3,913 |

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## *Glass.*

371. Before the war the glass industry in Italy was a well balanced and important part of the industrial economy. The industry has profited from the long experience gained in the manufacture of decorative objects from glass, and there have been important exports from Italy for many years.

372. The glass industry is an important customer for soda ash and other chemicals produced by Italian industry. Basic raw materials, such as lime and silica, are readily available in the country. The glass industry is a large consumer of imported fuels, which explains the limited expansion in exports of standard items such as window glass, glass blocks, etc.

373. Prior to the war Italy had sufficient capacity in the glass industry to produce all domestic requirements for standard building items and containers. Two important plants at Leghorn and Pisa which were badly damaged by bombing and artillery fire are slowly being restored and should be in production again in 1947.

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374. UNRRA's main contribution to the glass industry is the supply of fuel which has kept the industry to full capacity, so far as building items are concerned. The container factories have been operating at substantially full capacity, using wood and other fuels when necessary.

*Ceramics.*

375. The ceramics industry is highly developed and is important in the industrial economy of Italy. Italian chinaware and pottery have enjoyed wide acceptance in world markets and have for many years been important exports.

376. In addition to domestic and decorative items, Italy has built a substantial industry around industrial ceramics and electrical insulators. The latter has become particularly important due to the exploitation of hydro-electric power. This industry was not severely affected by the war and practically all the pre-war plants are now operating.

377. Domestic clay is utilized to full advantage in the ceramics industry but Italy does not produce certain types of plastic and high temperature fire clay essential to the industry. Thus it has always been necessary to import a part of the raw material requirements in this field and to import all the requirements of magnesite refractories and high temperature fire clay. The ceramics industry is also a large consumer of imported fuels, although in recent years high temperature electrical heated kilns are being increasingly installed. This trend is continuing in the post-war period.

378. To ensure the supply of metallurgical and electro-technical ceramics UNRRA during 1946 will import into Italy the following materials:

| | Tons |
|---|---|
| Fire Clay | 30,000 |
| Kaolin | 10,000 |
| Plastic clays | 5,000 |
| Magnesite bricks | 4,500 |
| Asbestos | 6,000 |

In addition to the above, sufficient fuel for the working of these materials has been programmed by UNRRA.

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TABLE 50

## Principal Suppliers of Commodities important in Italy's Import Trade and Value of Supplies in 1938

(Value in millions of lire)

| Commodity and Country | Value | Percent of total |
|---|---|---|
| Coal and coke: | | |
| Germany (1) | 1,028.0 | 58.5 |
| United Kingdom | 375.2 | 21.3 |
| Poland and Danzig | 215.6 | 12.3 |
| Czechoslovakia | 67.5 | 3.8 |
| Belgium and Luxemburg | 29.6 | 1.7 |
| Other countries | 42.1 | 2.4 |
| Total | 1,758.0 | 100.0 |
| Cotton raw: | | |
| United States | 477.6 | 57.7 |
| Egypt | 163.1 | 19.7 |
| Turkey | 63.8 | 7.7 |
| British India | 50.6 | 6.1 |
| Brazil | 25.1 | 3.0 |
| Other countries | 47.5 | 5.8 |
| Total | 827.7 | 100.0 |
| Machinery, apparatus, and parts: | | |
| Germany (1) | 497.8 | 65.6 |
| Switzerland | 75.5 | 9.9 |
| United Kingdom | 59.3 | 7.8 |
| United States | 52.5 | 6.9 |
| Sweden | 20.9 | 2.8 |
| Other countries | 53.0 | 7.0 |
| Total | 759.0 | 100.0 |
| Mineral oil, crude and residues from the distillation of: | | |
| United States | 276.3 | 42.0 |
| Rumania | 114.9 | 17.5 |
| West Indies (2) | 99.1 | 15.1 |
| Iraq | 65.5 | 10.0 |
| Colombia | 31.8 | 4.8 |
| Iran | 26.5 | 4.0 |
| Other countries | 43.1 | 6.6 |
| Total | 657.2 | 100.0 |
| Wool, in the grease and washed, wool waste, and flocks: | | |
| Australia | 138.3 | 32.9 |
| Union of South Africa | 84.3 | 20.1 |
| Argentina | 57.0 | 13.6 |

| Commodity and Country | Value | Percent of total |
|---|---|---|
| Wood pulp: | | |
| Sweden | 155.6 | 39.6 |
| Finland | 90.4 | 23.0 |
| Germany (1) | 86.2 | 22.0 |
| Czechoslovakia | 20.0 | 5.1 |
| Other countries | 40.3 | 10.3 |
| Total | 392.5 | 100.0 |
| Copper and its alloys, in ingots and scrap: | | |
| Chile | 128.0 | 39.1 |
| United States | 70.1 | 21.4 |
| Portuguese South Africa | 69.4 | 21.2 |
| Belgium-Luxemburg | 14.1 | 4.3 |
| British South Africa | 13.6 | 4.2 |
| Other countries | 31.9 | 9.8 |
| Total | 327.1 | 100.0 |
| Lumber, common, rough, squared, or sawed: | | |
| Germany (1) | 94.5 | 40.0 |
| Yugoslavia | 77.4 | 32.7 |
| United States | 28.9 | 12.2 |
| Rumania | 9.4 | 4.0 |
| France | 6.5 | 2.8 |
| Other countries | 19.7 | 8.3 |
| Total | 236.4 | 100.0 |
| Iron and steel scrap: | | |
| United States | 161.0 | 69.2 |
| France | 30.3 | 13.0 |
| Switzerland | 17.9 | 7.7 |
| Belgium-Luxemburg | 5.8 | 2.5 |
| Netherlands | 3.2 | 1.4 |
| Other countries | 14.5 | 6.2 |
| Total | 232.7 | 100.0 |

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| Commodity and Country | Value | Percentage of total |
|---|---|---|
| Coal and coke: | | |
| Germany (1) | 1,028.0 | 58.5 |
| United Kingdom | 375.2 | 21.3 |
| Poland and Danzig | 215.6 | 12.3 |
| Czechoslovakia | 67.5 | 3.8 |
| Belgium and Luxemburg | 29.6 | 1.7 |
| Other countries | 42.1 | 2.4 |
| Total | 1,758.0 | 100.0 |
| Cotton raw: | | |
| United States | 477.6 | 57.7 |
| Egypt | 163.1 | 19.7 |
| Turkey | 63.8 | 7.7 |
| British India | 50.6 | 6.1 |
| Brazil | 25.1 | 3.0 |
| Other countries | 47.5 | 5.8 |
| Total | 827.7 | 100.0 |
| Machinery, apparatus, and parts: | | |
| Germany (1) | 497.8 | 65.6 |
| Switzerland | 75.5 | 9.9 |
| United Kingdom | 59.3 | 7.8 |
| United States | 52.5 | 6.9 |
| Sweden | 20.9 | 2.8 |
| Other countries | 53.0 | 7.0 |
| Total | 759.0 | 100.0 |
| Mineral oil, crude and residues from the distillation of: | | |
| United States | 276.3 | 42.0 |
| Rumania | 114.9 | 17.5 |
| West Indies (2) | 99.1 | 15.1 |
| Iraq | 65.5 | 10.0 |
| Colombia | 31.8 | 4.8 |
| Iran | 26.5 | 4.0 |
| Other countries | 43.1 | 6.6 |
| Total | 657.2 | 100.0 |
| Wool, in the grease and washed, wool waste, and flocks: | | |
| Australia | 138.3 | 32.9 |
| Union of South Africa | 84.3 | 20.1 |
| Argentina | 57.0 | 13.6 |
| Uruguay | 36.8 | 8.8 |
| United Kingdom | 28.8 | 6.8 |
| Belgium-Luxemburg | 22.3 | 5.3 |
| Other countries | 52.5 | 12.5 |
| Total | 420.0 | 100.0 |
| Wood pulp: | | |
| Sweden | 155.6 | 39.6 |
| Finland | 90.4 | 23.0 |
| Germany (1) | 86.2 | 22.0 |
| Czechoslovakia | 20.0 | 5.1 |
| Other countries | 40.3 | 10.3 |
| Total | 392.5 | 100.0 |
| Copper and its alloys, in ingots and scrap: | | |
| Chile | 128.0 | 39.1 |
| United States | 70.1 | 21.4 |
| Portuguese South Africa | 69.4 | 21.2 |
| Belgium-Luxemburg | 14.1 | 4.3 |
| British South Africa | 13.6 | 4.2 |
| Other countries | 31.9 | 9.8 |
| Total | 327.1 | 100.0 |
| Lumber, common, rough, squared, or sawed: | | |
| Germany (1) | 94.5 | 40.0 |
| Yugoslavia | 77.4 | 32.7 |
| United States | 28.9 | 12.2 |
| Rumania | 9.4 | 4.0 |
| France | 6.5 | 2.8 |
| Other countries | 19.7 | 8.3 |
| Total | 236.4 | 100.0 |
| Iron and steel scrap: | | |
| United States | 161.0 | 69.2 |
| France | 30.3 | 13.0 |
| Switzerland | 17.9 | 7.7 |
| Belgium-Luxemburg | 5.8 | 2.5 |
| Netherlands | 3.2 | 1.4 |
| Other countries | 14.5 | 6.2 |
| Total | 232.7 | 100.0 |

Source: *Commercio di Importazione e di Esportazione*, 1938

(1) Includes Austria.

(2) Includes Netherlands West Indies, French West Indies, and the U. S. Virgin Islands.

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TABLE 51

## Relative Importance of Italian Industries 1937-38

| Class and Industry (1) | Labor employed 1938 (7) | H P used 1938 (7) | Yearly Consumption: Electric power 1000 Kwh. 1937 (8) | Yearly Consumption: Coal 1000 T. 1938 |
|---|---|---|---|---|
| A - Industries: (1) | | | | |
| Bakeries | 101,824 | 38,279 | 760,955 | 500 |
| Food processing | 351,009 | 874,149 | | |
| Metallurgical (2) | 102,783 | 831,214 | 2,727,874 | 1,800 |
| Mechanical: | | | | |
| Automobiles and other conveyances | 206,740 | 366,411 | 870,674 | 200 |
| Other mechanical | 422,893 | 683,613 | | |
| Building materials | 124,741 | 330,164 | 495,458 | 1,400 |
| Ceramics and glass | 50,870 | 40,996 | | 200 |
| Building | 479,929 | 153,286 | | 50 |
| Textiles and clothing | 833,148 | 801,047 | 1,334,912 | 815 |
| Chemicals (3) | 98,238 | 434,352 | 2,954,663 | 550 |
| Coleries and Gas Works | 10,074 | 54,844 | | 3,500 |
| Power Stations | 27,403 | 1,577 | — | 250 |
| Mines and Quarries | 136,012 | 193,316 | 163,278 | 70 |
| Timber | 102,289 | 131,938 | 90,368 | 10 |
| Paper | 52,437 | 209,852 | 464,622 | 160 |
| Leather, etc. | 68,906 | 63,238 | 83,038 | 5 |
| Printing | 58,769 | 41,941 | 31,079 | 5 |
| Rubber | 24,623 | 70,152 | 378,349 | 40 |
| Other Industries | 197,456 | 217,981 | | 130 |
| TOTAL INDUSTRIES | 3,250,144 | 5,541,350 | 10,355,270 | 9,685 |
| B - Handicraft: | | | | |
| Timber | 180,104 | 72,986 | 400,000 | 200 |
| Food Processing | 120,761 | 9,230 | | |
| Mechanical | 171,783 | 63,528 | | |
| Leather, etc. | 146,305 | 1,770 | | |
| Clothing | 246,202 | 8,385 | | |
| Other handicraft | 254,081 | 107,606 | | |
| TOTAL HANDICRAFT | 1,119,236 | 263,505 | 400,000 | 200 |
| TOTAL A + B | 4,369,380 | 5,804,855 | 10,755,270 | 9,885 |
| C - Transportation: | | | | |
| State Railways | 110,468 | (4) | 1,367,164 | 1,900 |
| Bunkers | 67,446 | (4) | | 1,250 |
| Other transports | 127,131 | (4) | | |
| TOTAL TRANSPORTS | 305,045 | (4) | 1,367,164 | 3,150 |
| TOTAL A + B + C | 4,674,425 | (4) | 12,122,434 | 13,035 |
| D - OTHER CONSUMPTION: | | | 1,037,243 (5) | 965 (6) |
| | | | 13,159,677 | 14,000 |

(1) Fishing excluded;
(2) Electro-metallurgic industries included;

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| Class and Industry (1) | employed 1938 (7) | (7) | Electric power 1000 Kwh. 1937 (8) | Coal 1000 T. 1938 |
|---|---|---|---|---|
| A - Industries: (1) | | | | |
| Bakeries | 101,824 | 38,279 | 760,955 | 500 |
| Food processing | 351,009 | 874,119 | | |
| Metallurgical (2) | 102,783 | 831,214 | 2,727,874 | 1,800 |
| Mechanical: | | | | |
| Automobiles and other conveyances | 206,740 | 366,411 | 870,674 | 200 |
| Other mechanical | 422,893 | 683,613 | | |
| Building materials | 124,741 | 330,164 | | 1,400 |
| Ceramics and glass | 50,870 | 40,996 | 495,458 | 200 |
| Building | 479,929 | 158,286 | | 50 |
| Textiles and clothing | 633,148 | 801,047 | 1,334,912 | 815 |
| Chemicals (3) | 98,258 | 434,352 | 2,954,663 | 550 |
| Coke ries and Gas Works | 10,074 | 54,844 | | 3,500 |
| Power Stations | 27,403 | 1,577 | — | 250 |
| Mines and Quarries | 136,012 | 193,316 | 163,278 | 70 |
| Timber | 102,289 | 131,938 | 90,368 | 10 |
| Paper | 52,437 | 209,852 | 464,622 | 160 |
| Leather, etc. | 68,906 | 63,238 | 83,038 | 5 |
| Printing | 58,769 | 41,941 | 31,079 | 5 |
| Rubber | 24,623 | 70,152 | 378,349 | 40 |
| Other Industries | 197,456 | 217,981 | | 130 |
| TOTAL INDUSTRIES | 3,250,141 | 5,541,350 | 10,355,270 | 9,685 |
| B - Handicraft: | | | | |
| Timber | 180,104 | 72,986 | | |
| Food Processing | 120,761 | 9,230 | | |
| Mechanical | 171,783 | 63,528 | | |
| Leather, etc. | 146,305 | 1,770 | 400,000 | 200 |
| Clothing | 246,202 | 8,385 | | |
| Other handicraft | 254,081 | 107,606 | | |
| TOTAL HANDICRAFT | 1,119,236 | 263,505 | 400,000 | 200 |
| TOTAL A + B | 4,369,380 | 5,804,855 | 10,755,270 | 9,885 |
| C - Transportation: | | | | |
| State Railways | 110,468 | (4) | | |
| Bunkers | 67,446 | (4) | 1,367,164 | 1,900 |
| Other transports | 127,131 | (4) | | 1,250 |
| TOTAL TRANSPORTS | 305,045 | (4) | 1,367,164 | 3,150 |
| TOTAL A + B + C | 4,674,425 | (4) | 12,122,434 | 13,035 |
| D - OTHER CONSUMPTION: | | | 1,037,243 (5) | 965 (6) |
| | | | 13,159,677 | 14,000 |

(1) Fishing excluded;
(2) Electro-metallurgic industries included;
(3) Electro-chemical industries included;
(4) The primary (steam or liquid fuel etc.) and electric power applied to vehicles is 11,067,664 HP. including 8,701,833 for land transportation, 2,141,521 for sea, lake and river transportation and 224,310 for air transportation;
(5) Private and public lighting - agriculture, appliances for consumption in houses and stores;
(6) Domestic uses, hospitals and agriculture;
(7) Industrial census 1937-39 (Statistical year-book of 1943);
(8) Electric power consumed in 1937 (Statistical year-book of 1939).

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TABLE 52

## Italy's Consumption of Electric Energy by Classes of Consumers: 1936 and 1939

| | 1936 | | | | 1939 | | | |
|---|---|---|---|---|---|---|---|---|
| | Hundred Thousand KWH | | % | % | Hundred Thousand KWH | | % | % |
| Domestic Lighting | 626 | | 5.40 | | 749 | | 4.74 | |
| Public Lighting | 272 | | 2.35 | | 311 | | 1.97 | |
| Domestic & Public Appliances | 300 | 1,198 | 2.59 | 10.34 | 438 | 1,498 | 2.77 | 9.48 |
| Agriculture | 134 | | 1.15 | | 145 | | 0.92 | |
| Food | 656 | 790 | 5.66 | 6.81 | 788 | 933 | 4.98 | 5.90 |
| Clothing Industries | 42 | | 0.37 | | 57 | | 0.36 | |
| Textile Industries: Cotton | 456 | | 3.94 | | 582 | | 3.69 | |
| Wool | 129 | | 1.11 | | 210 | | 1.33 | |
| Rayon | 212 | | 1.83 | | 296 | | 1,87 | |
| Misc. | 185 | 1,024 | 1,59 | 8.84 | 187 | 1,332 | 1.51 | 8.76 |
| Paper Industry | 383 | | 3.31 | | 536 | | 3.39 | |
| Printing Industry | 26 | 409 | 0.23 | 3.54 | 33 | 569 | 0.21 | 3.60 |
| Ceramic and Glass Industry | 52 | | 0.45 | | 100 | | 0.63 | |
| Building Industry | 343 | | 2.96 | | 555 | | 3.51 | |
| Woodworking Industry | 73 | 468 | 0.63 | 4.04 | 102 | 757 | 0.65 | 4.79 |
| Chemical Industry | 474 | 474 | 4.09 | 4.09 | 692 | 692 | 4.38 | 4.38 |
| Mining and Quarrying | 140 | 140 | 1.20 | 1.20 | 254 | 254 | 1.61 | 1.61 |
| Metallurgical Industries | 572 | 572 | 4.93 | 4.93 | 711 | 711 | 4.50 | 4.50 |
| Mechanical & Allied Ind. | 749 | 749 | 6.46 | 6.46 | 982 | 982 | 6.21 | 6.21 |
| Electro-chemical Industry | 3624 | | 31.28 | | 5,136 | | 32.50 | |
| Electro-metallurgical Ind. | | | | | | | | |
| Heating, Industrial | 560 | 4,184 | 4.83 | 36.11 | 597 | 5,733 | 3.78 | 36.28 |
| Miscellaneous Industries | 153 | 153 | 1.32 | 1.32 | 147 | 147 | 0.93 | 0.93 |
| Services | 255 | 255 | 2.20 | 2.20 | 366 | 366 | 2.32 | 2.32 |
| Traction | 1,172 | 1,172 | 1.12 | 10.12 | 1,777 | 1,777 | 11.24 | 11.24 |

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| | 1936 | | | | 1939 | | | |
|---|---|---|---|---|---|---|---|---|
| | Hundred Thousand KWH | | % | % | Hundred Thousand KWH | | % | % |
| Domestic Lighting | 626 | | 5.40 | | 749 | | 4.74 | |
| Public Lighting | 272 | | 2.35 | | 311 | | 1.97 | |
| Domestic & Public Appliances | 300 | 1,198 | 2.59 | 10.34 | 438 | 1,498 | 2.77 | 9.48 |
| Agriculture | 134 | | 1.15 | | 145 | | 0.92 | |
| Food | 656 | 790 | 5.66 | 6.81 | 788 | 933 | 4.98 | 5.90 |
| Clothing Industries | 42 | | 0.37 | | 57 | | 0.36 | |
| Textile Industries: Cotton | 456 | | 3.94 | | 582 | | 3.69 | |
| Wool | 129 | | 1.11 | | 210 | | 1.33 | |
| Rayon | 212 | | 1.83 | | 296 | | 1.87 | |
| Misc. | 185 | 1,024 | 1.59 | 8.84 | 187 | 1,332 | 1.51 | 8.76 |
| Paper Industry | 383 | | 3.31 | | 536 | | 3.39 | |
| Printing Industry | 26 | 409 | 0.23 | 3.54 | 33 | 569 | 0.21 | 3.60 |
| Ceramic and Glass Industry | 52 | | 0.45 | | 100 | | 0.63 | |
| Building Industry | 343 | | 2.96 | | 555 | | 3.51 | |
| Woodworking Industry | 73 | 468 | 0.63 | 4.04 | 102 | 757 | 0.65 | 4.79 |
| Chemical Industry | 474 | 474 | 4.09 | 4.09 | 692 | 692 | 4.38 | 4.38 |
| Mining and Quarrying | 140 | 140 | 1.20 | 1.20 | 254 | 254 | 1.61 | 1.61 |
| Metallurgical Industries | 572 | 572 | 4.93 | 4.93 | 711 | 711 | 4.50 | 4.50 |
| Mechanical & Allied Ind. | 749 | 749 | 6.46 | 6.46 | 982 | 982 | 6.21 | 6.21 |
| Electro-chemical Industry | 3624 | | 31.28 | | 5,136 | | 32.50 | |
| Electro-metallurgical Ind. | | | | | | | | |
| Heating, Industrial | 560 | 4,184 | 4.83 | 36.11 | 597 | 5,733 | 3.78 | 36.28 |
| Miscellaneous Industries | 153 | 153 | 1.32 | 1.32 | 147 | 147 | 0.93 | 0.93 |
| Services | 255 | 255 | 2.20 | 2.20 | 366 | 366 | 2.32 | 2.32 |
| Traction | 1,172 | 1,172 | 10.12 | 10.12 | 1,777 | 1,777 | 11.24 | 11.24 |
| Total | 11,588 | 11,588 | 100.00 | 100.00 | 15,751 | 15,751 | 100.00 | 100.00 |

Source: Adapted from Annuario Statistico, 1939-1941.

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TABLE 53

## Revised Industrial Requirements for 1946
## UNRRA Program (as in April 1946)

| Code No. | ITEM | Quantity tons | Estimated cost Thousand $ |
|---|---|---|---|
| 1-00 | Transport & Telecommunications | — | 2,533 |
| 2-00 | Public Utilities | — | — |
| 3.00 | Building Industry | — | 245 |
| 4-00 | Mining & Quarrying | — | — |
| 5-00 | Machine Repair Industry | — | — |
| 6-00 | Processing Industry | — | — |
| 7-10 | Solid Fuels | 5,676,692 | 40,775 |
| 7-20-30 | Liquid Fuels and Lubricants | — | 35,745 |
| 7-40 | Asphalt | 75,000 | 2,675 |
| 8-00 | Misc. Consumer Goods | — | 50 |
| 9.01 | Pig Iron : | | |
| | A — Refined Grade | 65,000 | |
| | B — Foundry Grade | 50,000 | |
| | C — Hematite Grade | 25,000 | |
| | Total Pig Iron | 140,000 | 4,201.27 |
| 9.01-1 | Semi-finised Steel : | | |
| | A — Sheet Bars | 30,000 | |
| | B — Slabs | 18,000 | |
| | C — Blooms | 7,800 | |
| | D — Square Billets | 50,100 | |
| | Total Semi-finished Steel | 106,000 | 5,300 |
| 9-01-2 | Finished Steel : | | |
| | A — Smooth plates | 16,500 | |
| | B — Boiler Plates | 600 | |
| | C — Fire Box Plate | 120 | |
| | D — Corrugated Plate | 900 | |
| | E — Round Rivet Bars | 1,250 | |
| | F — Round Bars | 225 | |
| | G — Square Bars | 175 | |
| | H — Rectangular Bars | 200 | |
| | I — Equal Angles | 2,350 | |
| | J — Unequal Angles | 5,000 | |
| | K — Channels | 500 | |
| | Total Finished Steel | 27,720 | 1,859,576 |
| 9-02 | Mineral : | | |
| | A — Manganese Ore | 10,000 | |
| | B — Wolframite | 100 | |
| | C — Molybdenite | 330 | |
| | D — Chromite | 2,000 | |
| | Total Minerals | 12,430 | 860 |
| 9-021 | Metals & Alloying Elements : | | |
| | A — Chromium | 10 | |
| | B — Cobalt | 10 | |
| | | 40 | |

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| Code No. | ITEM | Quantity tons | Estimated cost Thousand $ |
|---|---|---|---|
| 1–00 | Transport & Telecommunications | — | 2,533 |
| 2–00 | Public Utilities | — | — |
| 3.00 | Building Industry | — | 215 |
| 4–00 | Mining & Quarrying | — | — |
| 5–00 | Machine Repair Industry | — | — |
| 6–00 | Processing Industry | — | — |
| 7–10 | Solid Fuels | 5,676,692 | 40,775 |
| 7–20–30 | Liquid Fuels and Lubricants | — | 35,745 |
| 7–40 | Asphalt | 75,000 | 2,675 |
| 8–00 | Misc. Consumer Goods | — | 50 |
| 9.01 | Pig Iron: | | |
| | A — Refined Grade | 65,000 | |
| | B — Foundry Grade | 50,000 | |
| | C — Hematite Grade | 25,000 | |
| | Total Pig Iron | 140,000 | 4,201.27 |
| 9.01–1 | Semi-finised Steel: | | |
| | A — Sheet Bars | 30,000 | |
| | B — Slabs | 18,000 | |
| | C — Blooms | 7,600 | |
| | D — Square Billets | 50,400 | |
| | Total Semi-finished Steel | 106,000 | 5,300 |
| 9–01–2 | Finished Steel: | | |
| | A — Smooth plates | 16,500 | |
| | B — Boiler Plates | 600 | |
| | C — Fire Box Plate | 120 | |
| | D — Corrugated Plate | 900 | |
| | E — Round Rivet Bars | 1,250 | |
| | F — Round Bars | 225 | |
| | G — Square Bars | 175 | |
| | H — Rectangular Bars | 200 | |
| | I — Equal Angles | 2,250 | |
| | J — Unequal Angles | 5,000 | |
| | K — Channels | 500 | |
| | Total Finished Steel | 27,720 | 1,859.576 |
| 9–02 | Mineral: | | |
| | A — Manganese Ore | 10,000 | |
| | B — Wolframite | 100 | |
| | C — Molybdenite | 330 | |
| | D — Chromite | 2,000 | |
| | Total Minerals | 12,430 | 860 |
| 9–021 | Metals & Alloying Elements: | | |
| | A — Chromium | 10 | |
| | B — Cobalt | 10 | |
| | C — Ferro-Tungsten | 40 | |
| | D — Graphite for Steel | 80 | |
| | Total Metals & Alloying Elements | 140 | 171 |
| 9–03 | Tin: | | |
| | A — Pure Tin | 1,700 | |
| | Total Tin | 1,700 | 2,247 |

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TABLE 53 (continued)

| Code No. | ITEM | Quantity tons | Estimated cost Thousand $ |
|---|---|---|---|
| 9-04 | Copper: | | |
| | A — Electrolytic Wire Bar | 11,486 | |
| | B — Fire Refined | 5,500 | |
| | Total Copper | 16,986 | 4,946 |
| 9-05 | Nickel: | | |
| | A — Electrolytic Nickel | 1,500 | |
| | Total Nickel | 1,500 | 1,398 |
| 9-07 | Chemicals for Rubber: | | |
| | A — Plastifying Pine Tar | 960 | |
| | B — Plastified Paratlax | 40 | |
| | C — Plastifying Cumar Resins | 132 | |
| | D — Resorcinol | 24 | |
| | E — Santocure | 13 | |
| | Total Chemicals for Rubber | 1,169 | 300 |
| 9-072 | Coal Tar Chemicals: | | |
| | a) Benzol : 1) Nitration Grade | 500 | 81.137 |
| | 2) Industrial | 2,500 | 375.500 |
| | b) Toluol : 1) Nitration Grade | 1,270 | 186.617 |
| | 2) Industrial | — | — |
| | c) Xylol : 1) Nitration Grade | 240 | 41.6 |
| | 2) Industrial | 390 | 58.7 |
| | d) Naphthalene : 1) Purified | 500 | 71.5 |
| | 2) Industrial | 500 | 82.5 |
| | e) Cresol (40 % of metacresol) | 500 | 125.0 |
| | f) Cresylic Acid | 100 | 22.0 |
| | g) Solvent Naphtha | — | — |
| | h) Coke Oven Light Oil | — | — |
| | i) Carbolic Oil | 6,000 | 250.0 |
| | Total Coal Tar Chemicals | 12,500 | 1,294.554 |
| 9-073 | Intermediate Dyestuff: | | |
| | a) Benzoic Acid | 50 | 70 |
| | Total Intermediate Dyestuff | 50 | 70 |
| 9-074 | Raw Materials for Paint, Varnish, Ink Enamel and Synthetic Resins: | | |
| | a) Copal Resin | 100 | 21 |
| | b) Manila Resin | 100 | 27 |
| | c) Shellac | 100 | 80 |
| | d) Glycerine | 1,000 | 440 |
| | e) Turpentine | 1,000 | 335 |
| | f) Cotton Linters | 1,000 | 220 |
| | g) Ilmenite | 2,000 | 54 |
| | h) Potassium Ferro-Cyanide | 100 | 13 |
| | i) Wood Flour | — | — |
| | l) Ethylene Glycol | 100 | 25 |
| | Total Raw Materials for Paint, etc. | 5,500 | 1,215 |

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| | | | |
|---|---|---|---|
| | A — Electrolytic Wire Bar | 11,186 | |
| | B — Fire Refined | 5,500 | |
| | Total Copper | 16,986 | 1,946 |
| 9–05 | Nickel: | | |
| | A — Electrolytic Nickel | 1,500 | |
| | Total Nickel | 1,500 | 1,396 |
| 9–07 | Chemicals for Rubber: | | |
| | A — Plastifying Pine Tar | 960 | |
| | B — Plastified Paraflux | 40 | |
| | C — Plastifying Cumar Resins | 132 | |
| | D — Resorcinol | 24 | |
| | E — Santocure | 13 | |
| | Total Chemicals for Rubber | 1,169 | 300 |
| 9–072 | Coal Tar Chemicals: | | |
| | a) Benzol : 1) Nitration Grade | 500 | 81.137 |
| | 2) Industrial | 2,590 | 375.500 |
| | b) Toluol : 1) Nitration Grade | 1,270 | 186.617 |
| | 2) Industrial | — | — |
| | c) Xylol : 1) Nitration Grade | 240 | 41.6 |
| | 2) Industrial | 390 | 58.7 |
| | d) Naphthalene : 1) Purified | 500 | 71.5 |
| | 2) Industrial | 500 | 82.5 |
| | e) Cresol (40 % of metacresol) | 500 | 125.0 |
| | f) Cresylic Acid | 100 | 22.0 |
| | g) Solvent Naphtha | — | — |
| | h) Coke Oven Light Oil | — | — |
| | i) Carbolic Oil | 6,000 | 250.0 |
| | Total Coal Tar Chemicals | 12,500 | 1,294.554 |
| 9–073 | Intermediate Dyestuff: | | |
| | a) Benzoic Acid | 50 | 70 |
| | Total Intermediate Dyestuff | 50 | 70 |
| 9–074 | Raw Materials for Paint, Varnish, Ink Enamel and Synthetic Resins: | | |
| | a) Copal Resin | 100 | 21 |
| | b) Manila Resin | 100 | 27 |
| | c) Shellac | 100 | 80 |
| | d) Glycerine | 1,000 | 440 |
| | e) Turpentine | 1,000 | 335 |
| | f) Cotton Linters | 1,000 | 220 |
| | g) Ilmenite | 2,000 | 54 |
| | h) Potassium Ferro-Cyanide | 100 | 13 |
| | i) Wood Flour | — | — |
| | l) Ethylene Glycol | 100 | 25 |
| | Total Raw Materials for Paint, etc. | 5,500 | 1,215 |
| 9–075 | a) Petroleum Coke: special calcined | 3,800 | 83.6 |
| | calcined | 4,400 | 97 |
| | b) Special Antracite for Electrodes | 12,000 | 144 |
| | c) Graphite | 1,000 | 114 |
| | d) Coal Tar Pitch | 900 | 14 |
| | Total Raw Materials for Carbon Electrodes | 22,100 | 452.6 |

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TABLE 53 (continued

| Code No. | ITEM | Quantity tons | Estimated cost Thousand $ |
|---|---|---|---|
| 9-076 | Industrial Wax: | | |
| | a) Stearic Acid . . . . . | 500 | 400 |
| | Total Industrial Wax | 500 | 400 |
| 9-077 | Sundry Products: | | |
| | a) Acetone . . . . . | 400 | 55 |
| | b) Phosphate Rock . . . . . | 3,500 | 21 |
| | c) Potassium Chloride . . . . . | — | — |
| | d) Aluminium Fluoride . . . . . | — | — |
| | e) Pyrolusite . . . . . | 100 | 20 |
| | f) Denaturated Ethyl Alcohol . . . . . | 880 | 141 |
| | g) Butyl Alcohol . . . . . | 500 | 133 |
| | h) Potato Starch . . . . . | 2,500 | 250 |
| | i) Industrial Maize . . . . . | 3,000 | 210 |
| | Total Sundry Products | 11,180 | 830 |
| 9-078 | Colophony: | | |
| | a) Rosin . . . . . | 10,280 | 1,689 |
| | Total Colophony | 10,280 | 1,689 |
| 9-08 | Rubber: | | |
| | A — Synthetic Rubber . . . . . | 9,823 | |
| | B — Natural Rubber . . . . . | 9,822 | |
| | C — Hycar OR 15, or Perbunan, or Neoprene type E . | 128 | |
| | D — Latex . . . . . | 360 | |
| | E — Jatax . . . . . | — | |
| | Total Rubber | 20,133 | 11,673 |
| 9-08-1 | Carbon Black: | | |
| | A — Channel Black . . . . . | 3,600 | |
| | B — Furnace Black . . . . . | 3,600 | |
| | C — P 33 Black . . . . . | 220 | |
| | D — Lamp Black . . . . . | 480 | |
| | Total Carbon Black | 7,900 | 950 |
| 9-09 | Cellulose and Lumber: | | |
| | A — Cellulose . . . . . | — | |
| | B — Lumber . . . . . | 33,200 | |
| | Total Cellulose & Lumber | 33,200 | 2,500 |
| 9-90 | Asbestos: | | |
| | A — Canadian Asbestos . . . . . | 600 | |
| | B — Rhodesian „ . . . . . | 5,400 | |
| | Total Asbestos | 6,000 | 600 |
| 9-90-1 | Refractories: | | |
| | A — Magnesite Fire-bricks . . . . . | 4,500 | |
| | Total Refractories | 4,500 | 621 |
| 90-9-2 | Clays: | | |
| | A — Fire Clay . . . . . | 30,000 | |
| | B — Kaolin . . . . . | 10,000 | |
| | C — Plastic . . . . . | 5,000 | |

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| | | | |
|---|---|---|---|
| | a) Stearic Acid . . . . . | 500 | 400 |
| | Total Industrial Wax | 500 | 400 |
| 9-077 | Sundry Products: | | |
| | a) Acetone . . . . . | 400 | 55 |
| | b) Phosphate Rock . . . . . | 3,500 | 21 |
| | c) Potassium Chloride . . . . . | — | — |
| | d) Aluminium Fluoride . . . . . | — | — |
| | e) Pyrolusite . . . . . | 400 | 20 |
| | f) Denaturated Ethyl Alcohol . . . . . | 880 | 141 |
| | g) Butyl Alcohol . . . . . | 500 | 133 |
| | h) Potato Starch . . . . . | 2,500 | 250 |
| | i) Industral Maize . . . . . | 3,000 | 210 |
| | Total Sundry Products | 11,180 | 830 |
| 9-078 | Colophony: | | |
| | a) Resin . . . . . | 10,280 | 1,689 |
| | Total Colophony | 10,280 | 1,689 |
| 9-08 | Rubber: | | |
| | A — Synthetic Rubber . . . . . | 9,823 | |
| | B — Natural Rubber . . . . . | 9,822 | |
| | C — Hycar OR 15, or Perbunan, or Neoprene type E . | 128 | |
| | D — Latex . . . . . | 360 | |
| | E — Jatax . . . . . | — | |
| | Total Rubber | 20,133 | 11,673 |
| 9-08-1 | Carbon Black: | | |
| | A — Channel Black . . . . . | 3,600 | |
| | B — Furnace Black . . . . . | 3,600 | |
| | C — P 33 Black . . . . . | 220 | |
| | D — Lamp Black . . . . . | 480 | |
| | Total Carbon Black | 7,900 | 950 |
| 9-09 | Cellulose and Lumber: | | |
| | A — Cellulose . . . . . | — | |
| | B — Lumber . . . . . | 33,200 | |
| | Total Cellulose & Lumber | 33,200 | 2,500 |
| 9-90 | Asbestos: | | |
| | A — Canadian Asbestos . . . . . | 600 | |
| | B — Rhodesian . . . . . | 5,400 | |
| | Total Asbestos | 6,000 | 600 |
| 9-90-1 | Refractories: | | |
| | A — Magnesite Fire-bricks . . . . . | 4,500 | |
| | Total Refractories | 4,500 | 621 |
| 90-9-2 | Clays: | | |
| | A — Fire Clay . . . . . | 30,000 | |
| | B — Kaolin . . . . . | 10,000 | |
| | C — Plastic . . . . . | 5,000 | |
| | Total Clays | 45,000 | 1,006 |
| | Industrial Rehab. Service | | 100 |
| | | | 100 |
| | Surplus Procurement | | 750 |
| | GRAND TOTAL. | | 127,455.000 |

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TABLE 34

## Italian Self-Sufficiency in Minerals, 1940

| Mineral | Principal Producing Countries | Main source supply to Italy | % of requirements imported | % of requirements (1940) produced locally |
|---|---|---|---|---|
| Antimony | China, Mexico, Bolivia | Yugoslavia | 38.6 | 61.4 |
| Asbestos | Russia, Canada, South Africa, Rhodesia, Portuguese Africa | Union of South Africa, Canada, United States, Germany | 42.67 | 57.33 |
| Kaolin | Great Britain, Russia, Czecoslovakia, Germany | Germany, United Kingdom | 43.30 | 56.70 |
| Chromite | Greece, Rhodesia, Portuguese Africa, New Caledonia, Turkey, Russia, Cuba, India, Yugoslavia | Greece, Rhodesia, Portuguese Africa, New Caledonia, Turkey, Russia, Cuba, India, Yugoslavia | 100.0 | 0 |
| Iron ore | Spain, Greece, Portugal, Cyprus, Algeria, Sweden, British African Colonies | Yugoslavia, Spain, Morocco | 17.67 | 82.33 |
| Phosphate Rock | Algeria, Tunisia, Morocco, Egypt, Russia, United States | Algeria, Tunisia, Morocco, Egypt, Russia, United States | 100 | 0 |
| Magnesite | Austria, Greece, Czechoslovakia, Russia, Manchuria, Yugoslavia | Austria, Greece | 34.08 | 65.92 |
| Mica | India, Canada, Madagascar, Eritrea, Transvaal (Union of South Africa), Norway | Switzerland, British India, Italian Africa | 85.17 | 14.83 |
| Manganese ore | Russia, Rumania, Brazil, India, Gold Coast, Cuba, Palestine, Algeria | France, Russia, British India, British East Africa, Dutch Indies | 24.32 | 75.67 |
| Nitrate | Chile | Chile | 100 | 0 |
| Lead | Australian Federation, Turkey, Greece, Yugoslavia | — | 5.37 (1939) | 94.63 |
| Copper | United States, Chile, Portuguese Africa, Rhodesia, Belgian Congo, Japan, British India, Canada, Mexico, Peru, Germany, Russia, Yugoslavia, Norway | Belgium, Luxembourg, British India, Belgian Congo, Straits Settlements | 80.13 | 19.87 |
| Tin | Malacca, Bolivia, Dutch Indies, Siam, China, Australia, Belgian Congo, British India, Nigeria, U. K., Mexico, Japan, Indo-China | Belgium, Luxembourg, British India, Straits Settlements, Belgian Congo | 80.13 | 19.87 |
| Raw Refractories | France, Germany, Great Britain, Czechoslovakia, Austria, Belgium, Luxembourg | Germany, Czechoslovakia | 18.65 | 81.35 |
| Titanium | Australia, Canada, India, Norway, Portugal, Senegalia, United States, | Australia, Canada, India, Norway, Portugal, Senegalia, United States, Brazil | 100 | 0 |

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| Mineral | Principal Producing Countries | Main source supply of Italy | Imported | Obtained locally |
|---|---|---|---|---|
| Antimony | China, Mexico, Bolivia | Yugoslavia | 38.6 | 61.4 |
| Asbestos | Russia, Canada, South Africa, Rhodesia, Portuguese Africa | Union of South Africa, Canada, United States, Germany | 42.67 | 57.33 |
| Kaolin | Great Britain, Russia, Czechoslovakia, Germany | Germany, United Kingdom | 43.30 | 56.70 |
| Chromite | Greece, Rhodesia, Portuguese Africa, New Caledonia, Turkey, Russia, Cuba, India, Yugoslavia | Greece, Rhodesia, Portuguese Africa, New Caledonia, Turkey, Russia, Cuba, India, Yugoslavia | 100.0 | 0 |
| Iron ore | Spain, Greece, Portugal, Cyprus, Algeria, Sweden, British African Colonies | Yugoslavia, Spain, Morocco | 17.67 | 82.33 |
| Phosphate Rock | Algeria, Tunisia, Morocco, Egypt, Russia, United States | Algeria, Tunisia, Morocco, Egypt, Russia, United States | 100 | 0 |
| Magnesite | Austria, Greece, Czechoslovakia, Russia, Manchuria, Yugoslavia | Austria, Greece | 34.08 | 65.92 |
| Mica | India, Canada, Madagascar, Eritrea, Transvaal (Union of South Africa), Norway | Switzerland, British India, Italian Africa | 85.17 | 14.83 |
| Manganese ore | Russia, Rumania, Brazil, India, Gold Coast, Cuba, Palestine, Algeria | France, Russia, British India, British East Africa, Dutch Indies | 24.32 | 75.67 |
| Nitrate | Chile | Chile | 100 | 0 |
| Lead | Australian Federation, Turkey, Greece, Yugoslavia | — | 5.37 (1939) | 94.63 |
| Copper | United States, Chile, Portuguese Africa, Rhodesia, Belgian Congo, Japan, British India, Canada, Mexico, Peru, Germany, Russia, Yugoslavia, Norway | Belgium, Luxemburg, British India, Belgian Congo, Straits Settlements | 80.13 | 19.87 |
| Tin | Malacca, Bolivia, Dutch Indies, Siam, China, Australia, Belgian Congo, British India, Nigeria, U. K., Mexico, Japan, Indo-China | Belgium, Luxemburg, British India, Straits Settlements, Belgian Congo | 80.13 | 19.87 |
| Raw Refractories | France, Germany, Great Britain, Czechoslovakia, Austria, Belgium, Luxemburg | Germany, Czechoslovakia | 18.65 | 81.35 |
| Titanium | Australia, Canada, India, Norway, Portugal, Senegalia, United States, Brazil | Australia, Canada, India, Norway, Portugal, Senegalia, United States, Brazil | 100 | 0 |
| Tungsten | China, India, Malay | China, India, Malay | 98.47 | 1.53 |
| Sulphur | | | 0 | 100 |
| Mercury | | | 0 | 100 |
| Zinc | | | 0 | 100 |

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## Textual revisions of paragraphs in Supplements which have already appeared

### LIRE RESOURCES AVAILABLE TO UNRRA

*Substitute the following for paragraphs 61-70 in the Finance Section of the Supplement to "Economic Notes" Vol. I, No. 27, 19 July, 1946:*

61. The first agreement between UNRRA and the Italian Government dated 8 March, 1945 covered a limited assistance program for Italy and provided for the expenditure of 50 million dollars in foreign exchange.

62. The financial clauses of the agreement laid down that the Government would match UNRRA's expenses in foreign exchange, with the lira equivalent of such expenses. The rate of exchange to be used was that ruling at the time the foreign exchange expenses were incurred. Provision was also made for the expenditure of part of the lire thus made available on assisting displaced persons of other countries and on purchasing local surpluses for the relief and rehabilitation of other areas.

63. The best estimate of Italy's liability under this agreement was therefore 5,000 million lire and this amount was set up in the State budget for 1945-46.

64. The second agreement between UNRRA and the Italian Government covered a more extensive relief and rehabilitation program to meet "the most urgent needs of Italy." Though this agreement did not stipulate an amount of foreign exchange to be expended by UNRRA it was generally thought that about 450 million dollars would be put up to cover procurement, freights, general expenses etc. This agreement did not supersede the first agreement but was supplementary to it.

65. The financial clauses provided for the setting up of a special "Proceeds of Sale" account by the Government. The net proceeds of sales of UNRRA supplies are paid into this account and made available to [illegible] rehabilitation projects duly agreed

66. The machinery set up by the Italian Government to implement the financial clauses of the agreement is as follows:—

(a) About 25 agencies are charged with the collection of the proceeds of sale of the various commodities imported. These agencies in turn are accountable to the Istituto Commercio Estero (I.C.E. - Foreign Trade Institute).

(b) Before the imported commodities are sold prices are agreed by a joint UNRRA-Italian Government Price Committee.

(c) I.C.E., after deduction of distribution costs, also agreed with UNRRA, then deposits the money into a special "Proceeds of Sale" account designated by the Treasury.

67. Uncertain factors consisting mainly of distribution costs and price policy, make it impossible to estimate with any accuracy the total sum which will be available under this agreement. However 60 thousand million lire is the best approximation at present possible.

68. Naturally owing to the complexity of the distribution and collection problem there is a considerable time lag between the actual distribution of commodities and the settlement of accounts and in reconciling the Proceeds of Sale account with the accounts of the various agencies entrusted with handling UNRRA supplies. However representatives of UNRRA and the Italian Government on a Lira Fund Control Committee keep this matter under continuous review and the following table shows the funds which had actually been made available by 30 June, 1946. The amounts shown do not, of course, cover all supplies which had been distributed up to 30 June 1946.

69. Disbursements from the Lire funds [illegible] made available are authorised jointly by the Chief of the UNRRA

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## LIRE RESOURCES AVAILABLE TO UNRRA

*Substitute the following for paragraphs 61-70 in the Finance Section of the Supplement to "Economic Notes" Vol. I, No. 27, 19 July, 1946:*

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63. The best estimate of Italy's liability under this agreement was therefore 5,000 million lire and this amount was set up in the State budget for 1945-46.

64. The second agreement between UNRRA and the Italian Government covered a more extensive relief and rehabilitation program to meet "the most urgent needs of Italy." Though this agreement did not stipulate an amount of foreign exchange to be expended by UNRRA it was generally thought that about 450 million dollars would be put up to cover procurement, freights, general expenses etc. This agreement did not supersede the first agreement but was supplementary to it.

65. The financial clauses provided for the setting up of a special "Proceeds of Sale" account by the Government. The net proceeds of sales of UNRRA supplies are paid into this account and made available to cover relief and rehabilitation projects duly agreed between UNRRA and the Italian Government and the expenses of UNRRA in Italy. The time limit set for the determination of these relief and rehabilitation projects was three years or such longer period as may be agreed by UNRRA or by such successors as UNRRA may designate.

66. The machinery set up by the Italian Government to implement the financial clauses of the agreement is as follows:—

(a) About 25 agencies are charged with the collection of the proceeds of sale of the various commodities imported. These agencies in turn are accountable to the Istituto Commercio Estero (I.C.E. - Foreign Trade Institute).

(b) Before the imported commodities are sold prices are agreed by a joint UNRRA-Italian Government Price Committee.

(c) I.C.E., after deduction of distribution costs, also agreed with UNRRA, then deposits the money into a special "Proceeds of Sale" account designated by the Treasury.

67. Uncertain factors consisting mainly of distribution costs and price policy, make it impossible to estimate with any accuracy the total sum which will be available under this agreement. However 60 thousand million lire is the best approximation at present possible.

68. Naturally owing to the complexity of the distribution and collection problem there is a considerable time lag between the actual distribution of commodities and the settlement of accounts and in reconciling the Proceeds of Sale account with the accounts of the various agencies entrusted with handling UNRRA supplies. However representatives of UNRRA and the Italian Government on a Lira Fund Control Committee keep this matter under continuous review and the following table shows the funds which had actually been made available by 30 June, 1946. The amounts shown do not, of course, cover all supplies which had been distributed up to 30 June 1946.

69. Disbursements from the Lire funds [illegible] made available are authorised jointly by the Chief of the UNRRA Mission and the President of the Italian Government Delegation for relations with UNRRA. Lire to cover the innumerable recurring operating expenses of the Mission are transferred to the UNRRA banking account. Among such expenses, in addition to normal administrative expenses, are those connected with non-

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## Consolidated Lira Fund as known at 30 June 1946

| | Lire | Lire | Lire |
|---|---|---|---|
| 1. Lire resources available under agreement between Italian Government and UNRRA dated 8 March, 1945. | | | |
| (a) Provision in the State budget 1945-46 to match with lire the $ 50,000,000 to be spent by UNRRA | | | 5,000,000,000 |
| 2. Lire resources available under agreement between Italian Government and UNRRA dated 19 January 1946. | | | |
| Proceeds of sales: | | | |
| (a) Cereals and cereal products . . . . | 1,261,611,492 | | |
| *Less*: Amount reserved to cover distribution cost pending settlement . . . . . | 375,655,267 | 885,956,225 | |
| (b) Codfish (1) . . . . . | | 64,043,775 | |
| (c) Seed potatoes . . . . . | 321,182,875 | | |
| *Less* Distribution costs . . . . . | 118,590,600 | 202,592,275 | |
| (d) Coal - on account . . . . . | | 5,000,000,000 | |
| (e) Petrol, oil and lubricants on account pending settlement of distribution and other charges . | | 750,000,000 | 6,902,592,275 |
| 3. Total lire resources made available up to 30 June 1946 . | | | 11,902,592,275 |

(1) Codfish distribution costs are included with the distribution costs of cereals.

Italian displaced persons who would become a charge on the Italian State, were they not cared for and returned to their homes by UNRRA. In addition the Lira Fund Control Committee, referred to in para. 68, examines and recommends certain specific projects which, after being approved by the Chief of the UNRRA Mission and the President of the Italian Delegation, are financed direct from these lira funds. To deal shortly with these:—

(a) UNRRA is assisting in the Italian Government rehousing program through the agency known

(b) At the commencement of the UNRRA operation in Italy it was found that there was a chronic shortage of hospital and baby linen. To meet this crisis and give employment to Italian mills, 2,000 tons of raw cotton was imported and approximately 457 million lire were allotted to have this processed into the required hospital and baby linen.

(c) Since the scourge of malaria was lowering the effectiveness of the people of Sardinia both in the mining and agricultural spheres, UNRRA in

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| | | | |
|---|---|---|---|
| 1. Lire resources available under agreement between Italian Government and UNRRA dated 8 March, 1945. | | | |
| (a) Provision in the State budget 1945-46 to match with lire the $50,000,000 to be spent by UNRRA | | | 5,000,000,000 |
| 2. Lire resources available under agreement between Italian Government and UNRRA dated 19 January 1946. | | | |
| Proceeds of sales: | | | |
| (a) Cereals and cereal products | 1,261,611,492 | | |
| *Less*: Amount reserved to cover distribution cost pending settlement | 375,655,267 | 885,956,225 | |
| (b) Codfish (1) | | 64,043,775 | |
| (c) Seed potatoes | 321,182,875 | | |
| *Less* Distribution costs | 118,590,600 | 202,592,275 | |
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| (e) Petrol, oil and lubricants on account pending settlement of distribution and other charges | | 750,000,000 | 6,902,592,275 |
| 3. Total lire resources made available up to 30 June 1946 | | | 11,902,592,275 |

(1) Codfish distribution costs are included with the distribution costs of cereals.

Italian displaced persons who would become a charge on the Italian State, were they not cared for and returned to their homes by UNRRA. In addition the Lira Fund Control Committee, referred to in para. 68, examines and recommends certain specific projects which, after being approved by the Chief of the UNRRA Mission and the President of the Italian Delegation, are financed direct from these lira funds. To deal shortly with these:—

(a) UNRRA is assisting in the Italian Government rehousing program through the agency known as C.A.S.A.S. 5 million dollars have been set aside to meet foreign exchange expenses in connection with the program and over 1,000 million lire have been committed as an additional contribution.

(b) At the commencement of the UNRRA operation in Italy it was found that there was a chronic shortage of hospital and baby linen. To meet this crisis and give employment to Italian mills, 2,000 tons of raw cotton was imported and approximately 457 million lire were allotted to have this processed into the required hospital and baby linen.

(c) Since the scourge of malaria was lowering the effectiveness of the people of Sardinia both in the mining and agricultural spheres, UNRRA in co-operation with the Italian Government and the Rockefeller Foundation has embarked on a malaria eradication program covering the whole of that island. (Expenses connected with UNRRA anti-malaria projects in the agricultural

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areas of Italy and Sicily are not treated as special projects but as part of normal epidemic control operations.)

(d) Early in the UNRRA operation it was realized that, with the exorbitant cost of shoes and clothing, the poorer people would need free assistance if they were to be clad at all. Thanks to the magnificent American clothing drive in 1945, UNRRA was supplied with second hand clothing and shoes. All these articles had to be sorted, many had to be repaired and made wearable, and approximately 113 million lire were allotted to cover the cost of this work which was carried out by Italians who might well have been unemployed in other circumstances.

(e) As the sowing season for seed potatoes approached, UNRRA imported 10,000 tons of these urgently needed seeds and, in agreement with the Italian Government, reduced the price of all seed potatoes to a more economic level from the farmers' point of view. So that the Government would not suffer loss on the imported seed potatoes, a price equalisation subsidy of approximately 112 million lire was allotted from UNRRA lira resources.

(f) UNRRA affiliated workers of the Congregational Service League in the Naples area reported the disturbing conditions under which some 500 people had been reduced to living in caves and a scheme for rehousing them was worked out. An allotment of between 5 and 6 million lire was made to cover the expenses of this project.

(g) I.C.E. found that in handling UNRRA goods which are supplied to the Italian Government free, and are therefore not covered by bills of exchange as in normal commercial practice, they were short of working funds so an advance of 50 million lire was approved to meet this difficulty.

70. Since little over a third of the lira funds presently available has been committed, a number of other projects are being considered by the Lira Fund Control Committee referred to in para. 68. Recommendations made by this Committee are, of course, subject to the approval of the Chief of the UNRRA Mission and the President of the Italian Delegation.

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August 16, 1946 Vol. I, No. 31

# ECONOMIC NOTES

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

CONTENTS

1. Medical Aid to Italy
2. UNRRA Shipping in Italian Ports
3. Movements of Ships

## MEDICAL AID TO ITALY

In addition to the steady flow of medical supplies which UNRRA is bringing into the country, a preliminary sum of 18,850,000 lire —part of a far-reaching plan for nation-wide medical rehabilitation—has now been allocated to the High Commissariat for Public Health and Hygiene.

The Italian Government and UNRRA Italy Mission have agreed that this sum be taken from the Lire Fund and used for the work of Provincial Medical Officers, many of whom have been immobilised during the last two years by lack of transport and other handicaps, to the detriment of national health throughout the country.

### Use of Lire Fund

This latest allocation from the Lire Fund to medical purposes is additional to the sums which have already been drawn from that Fund for the betterment of national health, in implementation of the agreement signed between the Italian Government and UNRRA in January 1946, whereby the net proceeds of the sale of UNRRA [illegible] supplies shall be used

| | Lire |
|---|---|
| — Manufacture of hospital linen from imported raw cotton | 400,000,000 |
| — Sardinia malaria eradication | 300,000,000 |
| — Malaria control, Latina Province | 7,500,000 |

A list of public health projects which, if approved, will involve the allocation of considerable sums from the Lire Fund, has been submitted to the Lire Fund by the High Commissioner for Public Health and Hygiene.

### Fourth General Distribution

This week sees the completion of the third general distribution of medical supplies (see *Economic Notes* No. 23 of 21 June, 1946) amounting to 521 tons, valued at over 560,000 dollars (£140,000 sterling) and the commencement of the fourth general distribution.

Amounting to some 600 tons, the first part of the fourth general distribution consists of hospital supplies, and includes blankets, bathrobes and pyjamas, surgical dressings and equipment, surgeon's gloves, 75 tons of absorbent cotton, 380 tons of toilet, laundry and soft soap, about 12,000 syringes and the same

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### Use of Lire Fund

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The following are the items which have already been allocated:—

| | *Lire* |
|---|---|
| — Manufacture of hospital linen from imported raw cotton | 400,000,000 |
| — Sardinia malaria eradication | 300,000,000 |
| — Malaria control, Latina Province | 7,500,000 |

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Special distribution of narcotic drugs, insulin and liver extract (total value 21,427 dollars or

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£5,357 sterling), were completed according to schedule during July. In July, also, 20,000 vials of penicillin were distributed to 90 provinces, in Sicily, Sardinia and the mainland of Italy.

The re-opening of the Regina Margherita Hospital at Messina was marked by an inaugural ceremony on 4 August at which the Acting High Commissioner for Sicily and other Italian authorities were present, together with the UNRRA Regional Director and Regional Medical Officer, and the Deputy Chief of Mission and the Director of Health from UNRRA Headquarters. The re-opening of the hospital, which has been requisitioned many times, was made possible by the allocation of an UNRRA 200-bed hospital unit. UNRRA sheeting material had also arrived, and about 140 patients are already hospitalized.

### Complete Hospital Units

Another 200-bed hospital unit was delivered to the Civil Hospital, Dolo (Venezia). Five 40-bed hospital units were delivered to the following institutions: Civil Hospital, Fidenza (Parma); Civil Hospital, Palermo; Palazzo Adriano, Palermo; Sanatorium Serraino Vulpitta, Trapani; Agrigento Civil Hospital, Licata (Sicily); Ospedale Isolamento, Trapani (Sicily). The latter two divide one 40-bed hospital unit between them.

Distribution of the remaining twenty-one 40-bed hospital units and other hospital equipment such as furniture, surgical instruments and kitchenware are being planned and executed during August. In addition, laboratory units were delivered in July to the Sicilian Provincial Laboratories of Messina, Catania and Caltanissetta.

The distribution plan for 95 UNRRA ambulances has been approved. The ambulances will remain the property of the Italian Government, but will be assigned to the Medici Provinciali for use by specified hospitals and medical institutions in the provinces.

### Tuberculosis Control

Guerrini (Pesaro). With the delivery of a further unit to the Civil Hospital at Minturno this week, the assignment of the fourteen X-ray units imported into Italy by UNRRA is now complete.

### UNRRA Scholarships

A practical instance of UNRRA's long-term policy for the promotion of national self-help was the departure from Naples on 4 August, of 27 Italian graduate nurses who have received UNRRA scholarship for four months' study in the United States. The nurses—among whom were three nuns—came from Sicily and every other part of Italy and have been selected by the Directors of 27 different institutions. One of the requirements attached to the scholarship is that each nurse, on her return to Italy, shall give a year of service to the Italian people, imparting to others the knowledge she has acquired abroad. The group is divided between those who will study the teaching of public health and those who will study teaching methods as applied to the nursing of the sick.

A scheme for Nation-wide disinfestation of hospitals, orphanages, institutions and jails is rapidly assuming final form. The plan will be carried out by Italian personnel, with UNRRA technicians acting in an advisory capacity. It is hoped that by 1 September engineers and equipment will be on site and operations will be ready to start. At a conference between the Italian authorities and the sanitary engineers of the Health Division, it was agreed to use 20 tons of 100 per cent. DDT and 500 sprayers for this program.

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## UNRRA SHIPPING IN ITALIAN PORTS

The selection of Italian ports for discharge of UNRRA supplies imported for Italy's relief and rehabilitation has been one of the major problems in the Administration's task.

UNRRA policy in this connection has been dictated by three main factors. Firstly, the

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vials of penicillin were distributed to 90 provinces, in Sicily, Sardinia and the mainland of Italy.

The re-opening of the Regina Margherita Hospital at Messina was marked by an inaugural ceremony on 4 August at which the Acting High Commissioner for Sicily and other Italian authorities were present, together with the UNRRA Regional Director and Regional Medical Officer, and the Deputy Chief of Mission and the Director of Health from UNRRA Headquarters. The re-opening of the hospital, which has been requisitioned many times, was made possible by the allocation of an UNRRA 200-bed hospital unit. UNRRA sheeting material had also arrived, and about 140 patients are already hospitalized.

### Complete Hospital Units

Another 200-bed hospital unit was delivered to the Civil Hospital, Dolo (Venezia). Five 40-bed hospital units were delivered to the following institutions: Civil Hospital, Fidenza (Parma); Civil Hospital, Palermo; Palazzo Adriano, Palermo; Sanatorium Serraino Vulpitta, Trapani; Agrigento Civil Hospital, Licata (Sicily); Ospedale Isolamento, Trapani (Sicily). The latter two divide one 40-bed hospital unit between them.

Distribution of the remaining twenty-one 40-bed hospital units and other hospital equipment such as furniture, surgical instruments and kitchenware are being planned and executed during August. In addition, laboratory units were delivered in July to the Sicilian Provincial Laboratories of Messina, Catania and Caltanissetta.

The distribution plan for 95 UNRRA ambulances has been approved. The ambulances will remain the property of the Italian Government, but will be assigned to the Medici Provinciali for use by specified hospitals and medical institutions in the provinces.

### Tuberculosis Control

The following X-ray units were installed by UNRRA technicians during July: Civil Hospital, Bibbiena (Siena), Tuberculosis Sanatorium, Sondalo (Sondrio), Sanatorium Villa

this week, the assignment of the fourteen X-ray units imported into Italy by UNRRA is now complete.

### UNRRA Scholarships

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## UNRRA SHIPPING IN ITALIAN PORTS

The selection of Italian ports for discharge of UNRRA supplies imported for Italy's relief and rehabilitation has been one of the major problems in the Administration's task.

UNRRA policy in this connection has been dictated by three main factors. Firstly, the choice of ports whose facilities are most adjacent to the areas for which the cargo is intended, in order to ensure relatively the best and fastest distribution possible under the circumstances. It is obvious that, with demand

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so far in excess of supply, any delay in moving goods inland—especially when foodstuffs are concerned—might well have serious consequences.

A second factor which influences shipping decisions is the railway accommodation available. Clearance of port warehouses depends largely on the efficiency of the railway system serving the ports. Congestion of that system may substantially affect the usefulness of a port at a given moment.

### The Financial Onus

The third consideration is the speed with which the vessel can be completely unloaded; this directly affects the amount of dollars and sterling paid out of UNRRA's international shipping fund.

A further aspect to which UNRRA attaches importance is—with the other considerations being relatively equal—the possibility of relieving unemployment in port towns, where large sections of the population have been deprived of their livelihood as a result of the sharp shrinkage in sea-borne trade. Most of Italy's foreign trade used to be handled through the many ports located along her 5,300 miles of coastline. Large sections of the population have consequently been cut off from their normal wage-earning source for close on six years.

### Ports Still Unsafe

A point to be borne in mind when comparing the respective merits of Italy's ports is the fact that many of the minor harbours have never officially been declared safe for shipping. Only lately have the Allied military authorities allowed civilian shipping to use some of the harbours, and ship-owners are in some cases still unwilling to have their ships put in at certain west-coast ports.

Sincere efforts have been made by UNRRA to use the small ports, and shipping has often been diverted from the larger ones, with this end in view. But this brings up the question of shipping costs previously mentioned. High-tons per day. The penalty for slower discharge is 1,700 dollars per day. Diversions may entail heavy expenditure, as freight is usually charged on the ship's full cargo and for the whole run, irrespective of any partial unloadings during the journey. Thus, unloading part of an 8,000-ton vessel's cargo, say, in Naples, and the balance at Trapani, would involve payment on the full amount of cargo for the Naples-Trapani run, amounting to several thousand dollars.

To overcome this difficulty, Italian schooners and coasters have been used for coastwise shipping wherever possible.

### Use of Minor Ports

The following figures show the tonnage discharged at some of the minor ports in July: Ancona 24,400 tons; Crotone 8,800; Messina 3,600; Catania 21,200; Siracusa 2,800; Piombino 19,100; Civitavecchia 42,300; Torre Annunziata 22,900; Castellammare 10,500; Salerno 10,800; Reggio Calabria 8,700; Cagliari 16,500; Brindisi 12,100.

The choice of a ship's port destination is a matter for close co-operation between UNRRA and the Italian agencies. With slight exceptions, all UNRRA shipping—including coal and food—goes into the ports designated by the Italian authorities.

It is to be hoped that the possibility of port reconstruction and a general improvement in world trade will soon afford Italy's dockers and other port workers the opportunities they have long been denied.

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### « ECONOMIC SURVEY » SUPPLEMENT No. 2

*The Supplement attached to this week's issue of* Economic Notes *contains the second section on Italian industry, dealing with Food Processing, and the Textile, the Iron and Steel, and other industries. The Supplement also has*

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sequences.

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Sincere efforts have been made by UNRRA to use the small ports, and shipping has often been diverted from the larger ones, with this end in view. But this brings up the question of shipping costs previously mentioned. Higher charges on UNRRA's ocean freight funds mean less money available for relief and rehabilitation supplies. Facilities at many of the smaller ports do not permit grain ships to unload at the minimum speed of one thousand ed on the ship's full cargo and for the whole run, irrespective of any partial unloadings during the journey. Thus, unloading part of an 8,000-ton vessel's cargo, say, in Naples, and the balance at Trapani, would involve payment on the full amount of cargo for the Naples-Trapani run, amounting to several thousand dollars.

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### « ECONOMIC SURVEY » SUPPLEMENT

*The Supplement attached to this week's issue of* Economic Notes *contains the second section on Italian industry, dealing with Food Processing, and the Textile, the Iron and Steel, and other industries. The Supplement also has textual revisions of paragraphs which have appeared in previous Supplements.*

*The first section on Italian industry appeared in the Supplement to last week's edition of* Economic Notes, *No. 30 dated 9 August 1946.*

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# MOVEMENTS OF SHIPS

## CARGOES OTHER THAN COAL

(AUGUST 3 - 9 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | ACCOUNT | CARGO | TONS |
|---|---|---|---|---|---|
| Sveti Duje * | Venice | 2 August | It. Program | Phosphates | 5,720 |
| Fylingdale | Savona | 3 " | " " | Caolin | 4,648 |
| Stig Gorthon | Genoa | " " | Commercial | General | 2,900 |
| Vulcania | Naples | " " | UNRRA | Sausages | 22 |
| Southwestern Victory | " | 4 " | " " | General | 6,636 |
| Harold O. Wilson | " | " " | " " | " | 9,008 |
| Tyson Lykes | Genoa | 5 " | Commercial | " | 6,669 |
| James D. Trask | Venice | " " | UNRRA | Corn | 8,366 |
| Kendall Fish | Genoa | 6 " | " " | General | 2,416 |
| Jonathan Wort | Venice | " " | " " | " | 6,754 |
| Swan Point | Leghorn | 7 " | It. Program | Caolin | 5,773 |
| Nora | Bagnoli | 8 " | " " | Phosphates | 530 |

* *Advice received too late for inclusion in last week's shipping list.*

## LATEST COAL SHIPMENTS

(AUGUST 3 - 9 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | COUNTRY OF ORIGIN | ACCOUNT | TONS |
|---|---|---|---|---|---|
| Katharine Sherwood | Savona | 3 August | United States | UNRRA | 8,834 |
| Prine Andrej | Genoa | 4 " | Germany | " | 8,629 |
| Dalmore | Savona | " " | United Kingdom | " | 6,596 |
| Nelson Andrich | Genoa | 5 " | United States | " | 8,224 |
| Thomas Hayward | Palermo | " " | " " | " | 4,209 |
| | Reggio C. | 9 " | " " | " | 4,000 |
| David A. Curry | Savona | 5 " | " " | " | 8,265 |
| Nelson Dingley | Genoa | 6 " | " " | " | 8,395 |
| Fjeld | Savona | " " | United Kingdom | " | 4,309 |
| James Bowje | Venice | " " | United States | " | 3,429 |
| Lucius Fairchild | " | " " | " " | " | 4,463 |
| Walker D. Hines | Bagnoli | 7 " | " " | " | 8,782 |
| Wallace Farrington | Genoa | 8 " | " " | " | 3,930 |
| Vernon Kellog | Savona | " " | " " | " | 8,660 |
| Johann Printz | " | " " | " " | " | 8,134 |
| Henry Brown | " | " " | " " | " | 8,673 |
| Milton Foreman | " | 9 " | " " | " | 8,491 |

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| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | ACCOUNT | CARGO | TONS |
|---|---|---|---|---|---|
| Sveti Duje * | Venice | 2 August | It. Program | Phosphates | 5,720 |
| Fylingdale | Savona | 3 „ | „ „ | Caolin | 4,648 |
| Stig Gorthon | Genoa | „ „ | Commercial | General | 2,900 |
| Vulcania | Naples | „ „ | UNRRA | Sausages | 22 |
| Southwestern Victory | „ | 4 „ | „ „ | General | 6,636 |
| Harold O. Wilson | „ | „ „ | „ „ | „ | 9,008 |
| Tyson Lykes | Genoa | 5 „ | Commercial | „ | 6,669 |
| James D. Trask | Venice | „ „ | UNRRA | Corn | 8,366 |
| Kendall Fish | Genoa | 6 „ | „ „ | General | 2,416 |
| Jonathan Wort | Venice | „ „ | „ „ | „ | 6,754 |
| Swan Point | Leghorn | 7 „ | It. Program | Caolin | 5,773 |
| Nora | Bagnoli | 8 „ | „ „ | Phosphates | 530 |

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## LATEST COAL SHIPMENTS

(AUGUST 3 - 9 INCLUSIVE)

| SHIP | PORT OF ARRIVAL | DATE OF ARRIVAL | COUNTRY OF ORIGIN | ACCOUNT | TONS |
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| Princ Andrej | Genoa | 4 „ | Germany | „ | 8,629 |
| Dalmore | Savona | „ „ | United Kingdom | „ | 6,596 |
| Nelson Andrich | Genoa | 5 „ | United States | „ | 8,224 |
| Thomas Hayward | Palermo | „ „ | „ „ | „ | 4,209 |
| | Reggio C. | 9 „ | „ „ | „ | 4,000 |
| David A. Curry | Savona | 5 „ | „ „ | „ | 8,265 |
| Nelson Dingley | Genoa | 6 „ | „ „ | „ | 8,395 |
| Fjeld | Savona | „ „ | United Kingdom | „ | 4,309 |
| James Bowje | Venice | „ „ | United States | „ | 3,429 |
| Lucius Fairchild | „ | „ „ | „ „ | „ | 4,463 |
| Walker D. Hines | Bagnoli | 7 „ | „ „ | „ | 8,782 |
| Wallace Farrington | Genoa | 8 „ | „ „ | „ | 3,930 |
| Vernon Kellog | Savona | „ „ | „ „ | „ | 8,660 |
| Johann Printz | „ | „ „ | „ „ | „ | 8,134 |
| Henry Brown | „ | „ „ | „ „ | „ | 8,673 |
| Milton Foreman | „ | 9 „ | „ „ | „ | 8,491 |
| David Galliard | Venice | „ „ | „ „ | „ | 8,272 |
| James Couper | „ | „ „ | „ „ | „ | 6,642 |
| Giacomo C. | „ | „ „ | Germany | „ | 7,115 |
| William Phips | Genoa | „ „ | United States | „ | 4,120 |

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# INDUSTRY

(Part II continued)

(For the first section of this Survey of Italian Industry, containing an introduction, Part One general) and Part Two (motive power industries - coal and fuel - and the chemical and allied industries see Supplement to "Economic Notes,, Vol. I. No. 30. 9 August, 1946) (1)

## FOOD PROCESSING

*Introduction.*

203. This brief survey of the present situation of the food processing industry is limited to its more important branches. The importance of the food processing industry before the war is indicated by the following figures of exports in 1937, when 380.000 persons were employed:

| | Thousands of lire |
|---|---|
| Cheese (hard and soft) | 224,000 |
| Preserved fruit, dried and fresh vegetables (including tomato paste) | 227,000 |
| Macaroni | 50,000 |
| Preserved meats | 54,000 |
| Edible olive oil | 146,000 |
| Wines and vermouth | 271,000 |

Generally speaking, the war damage suffered by the food processing industry has been almost completely repaired and the capacity of the plants is nearly equal to their pre-war capacity. However, the factories are working at a very reduced rate as a consequence of the shortage of Italian agricultural products. In normal times Italian processed food products contributed to the export trade but this is now impossible, partly because of the domestic food shortage and partly because of the high cost of agricultural products. As a result of high prices, the reduced production is sufficient to meet the very low effective domestic demand, and sometimes even to exceed it, although this does not mean that nutritional needs are being met. Normally, the main imported raw materials for food processing are coal and tin plate (or tin for manufacturing of plate). Other necessary imported materials are cocoa, fresh fish, oil seeds and some minor products. During the present emergency imports of sugar and meat are also necessary.

*Sugar.*

204. For the period from August to October 1946, the scheduled production of 56 sugar factories, 12 of which of sugar. Their production capacity is over half a million tons (430.000 tons were produced in 1942). As an insurance against coal shortage, many plants are fitting fuel oil burners to their boilers, and the allocation of coal has been reduced to 175,000 tons. As a conservative estimate, 280,000 tons of sugar can be expected from the 1946 harvest of sugar beets. With an availability of 280,000 tons of sugar it should be possible to distribute, till the 1947 crop, a monthly ration of 300 grams per consumer, and to give 50,000 tons to the food processing industry.

*Cheese and Butter.*

205. In the pre-war period, cheese production amounted to 200.000 tons per year and butter production to 45,000 tons per year. This was processed from 25.500.000 litres of milk. The pre-war average export of cheese amounted to 30,000 tons per year. For 1946 the estimated cheese production of 4,804 industrial plants (with a total capacity of 280,000 tons of cheese) amounts to 116,000 tons, and the butter production of 4.264 industrial plants is estimated at 24,000 tons. This heavy reduction is caused by the shortage of milk, which is due to the destruction of livestock and the shortage of fodder. As a result of the high cost of milk for industrial use (30 lire per litre), the production of cheese and butter for free sale exceeds the demand. There is a real, if minor, surplus for export of "pecorino" (Roman and Sardinian cheese) (2). Because this cheese did not meet the taste of a large proportion of the Italian population, especially in Northern Italy, it was in the past exported in considerable quantities, particularly to the USA for the emigrated Italians. Out of a production of 20,000 tons of this cheese, 5,000 tons could be exported without depriving the internal market. Also, cheese of high quality and cost, such as Parmesan cheese could be exported in exchange for other foodstuffs of wider consumption and lower cost. Apart from 20,000 tons of coal, raw material imports for this cheese production are limited to rennet, which

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| | Thousands of lire |
|---|---|
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| Preserved fruit, dried and fresh vegetables (including tomato paste) | 227,000 |
| Macaroni | 50,000 |
| Preserved meats | 54,000 |
| Edible olive oil | 146,000 |
| Wines and vermouth | 271,000 |

Generally speaking, the war damage suffered by the food processing industry has been almost completely repaired and the capacity of the plants is nearly equal to their pre-war capacity. However, the factories are working at a very reduced rate as a consequence of the shortage of Italian agricultural products. In normal times Italian processed food products contributed to the export trade but this is now impossible, partly because of the domestic food shortage and partly because of the high cost of agricultural products. As a result of high prices, the reduced production is sufficient to meet the very low effective domestic demand, and sometimes even to exceed it, although this does not mean that nutritional needs are being met. Normally, the main imported raw materials for food processing are coal and tin plate (or tin for manufacturing of plate). Other necessary imported materials are cocoa, fresh fish, oil seeds and some minor products. During the present emergency imports of sugar and meat are also necessary.

*Sugar.*

204. For the period from August to October 1946, the scheduled production of 56 sugar factories, 12 of which have been totally or partially re-equipped after having been damaged by the war, amounts to 250,000 tons of sugar. Their production capacity is over half a million tons (430,000 tons were produced in 1942). As an insurance against coal shortage, many plants are fitting fuel oil burners to their boilers, and the allocation of coal has been reduced to 175,000 tons. As a conservative estimate, 280,000 tons of sugar can be expected from the 1946 harvest of sugar beets. With an availability of 280,000 tons of sugar it should be possible to distribute, till the 1947 crop, a monthly ration of 300 grams per consumer, and to give 50,000 tons to the food processing industry.

*Cheese and Butter.*

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*(1) See Supplement to Vol. I No. 27 for Introduction to Survey of Italy's Economy and for Survey of Finance, and No. 28 for Survey of Agriculture and Food in Italy.*

(2) Pecorino cheese is made from ewes milk.

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*Condensed and Powdered Milk. Baby Food.*

206. The 19 Italian factories producing condensed and powdered milk, have a capacity of over 35,000 tons per year and an average production of 20,000 tons. The factories can process in 1946, on the basis of available milk (about 1,000 hectolitres per day) about 12,000 tons of condensed or powdered milk. However, this production is subject to the availability of 3,000 tons of imported or domestic sugar. (The last allocation of domestic sugar amounting to 900 tons, was made in September 1945.) Limited quantities of evaporated milk are shipped by tank cars from North Italy to centres of consumption where local milk is in short supply (Genoa, Florence, Rome). As for production of dietetic baby foods, 17 factories with a capacity of over 10,000 tons per year, can produce 6,000 tons of products, subject to the availability of 3,600 tons of barley and wheat, 2,200 tons of sugar and 200 tons of edible fats.

*Chocolate.*

207. On the basis of the supply of 3,000 tons of cocoa beans included in the 1946 UNRRA program, the Italian chocolate industries can produce in 1946 8,000 tons of chocolate, against a normal pre-war production of 13,000 to 14,000 tons per year. The capacity of the 200 factories is over 50,000 tons per year. Other imports of cocoa, above the UNRRA program, have been scheduled by the Italian Government (e.g. 1,500 tons from France and Spain).

*Fruit Processing.*

208. The Italian fruit processing plants have always worked at a reduced rate because of the shortage and high cost of sugar. The number of jam factories in operating condition is 226. They have a capacity of 180,000 tons, and a normal pre-war (1939-1940) production exceeding 120,000 tons. Fruit pulp has always been available in excess of requirements. The stockpile left from the production of preceding years is estimated at 50,000 tons, which may be increased to 120,000 tons after the next crop. In the first half of 1946 the factories were to process 8,500 tons of sugar, to be used for producing 18,000 tons of jam. 2,500 tons of high-priced sugar substitutes (concentrated grape juice, etc.) were also used. During the second six months of 1946, the sugar stockpiles of the factories will be depleted, unless an allocation of imported sugar, which is not yet scheduled, is received. It is estimated that the A small part will be packed in tin cans, if these are available. For an additional production of about 2,000 tons of fruit in syrup, 400 tons of tin plate and 360 tons of sugar will be necessary.

*Vegetables Processing.*

209. Italy has 303 factories producing tomato paste and peeled tomatoes. They have a capacity of more than 130,000 tons and had an average pre-war production of 90,000 tons. For the 1946 season a production of 65,000 tons of concentrated tomato paste can be expected. Either glass or wood (especially barrels) can be used for packing. 1,500 tons of tin plate from the UNRRA import program of 4,000 tons for the first half of 1946, together with reclaimed tin plate, were programmed to be used for canning 10,000 tons of tomato products. A production of 3,000 tons of peeled tomatoes is also scheduled involving the use of 900 tons of allocated and reclaimed tin plate. The production of dried vegetables, since the demand for military supplies and export to Germany ceased, has dropped to almost negligible quantities due to lack of coal. Italy has 133 factories producing preserved vegetables (peas, fresh green beans, crab apples, pickled and vinegar-seasoned vegetables) with a capacity of 30,000 tons. For 1946 the estimated production is 10,000 tons; 5,000 tons of this will be canned, using an allocation of reclaimed tin plate. The rest will be packed in barrels or glass jars.

*Fish Preserving.*

210. The 107 fish-preserving plants (including eight plants in the Istria district) have a capacity of 55,000 tons (excluding hors d'oeuvres and mixed fish and vegetables preserves). They will work at a very reduced rate in 1946, due to the shortage and high cost of fresh fish and the lack of tin plate. It is estimated that 2,500 tons of fresh fish will be canned, using 500 tons of tin plate imported by UNRRA. The total 1946 production is estimated at 5,000 tons of canned fish, including sardines and anchovies, fished in territorial waters (since there will not be the usual importation of salted fish for processing from Spain and Portugal) with a total use of 900 tons of tin plate, either imported or reclaimed. There is also a scheduled import from Turkey of bonito fish for processing. This salmon type product should yield 2,000 tons of canned fish and will need 360 tons of tin plate. Imported raw material is not required for the manufacture of salted fish, which

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tons of condensed or powdered milk. However, this production is subject to the availability of 3,000 tons of imported or domestic sugar. (The last allocation of domestic sugar amounting to 900 tons, was made in September 1945.) Limited quantities of evaporated milk are shipped by tank cars from North Italy to centres of consumption where local milk is in short supply (Genoa, Florence, Rome). As for production of dietetic baby foods, 17 factories with a capacity of over 10,000 tons per year, can produce 6,000 tons of products, subject to the availability of 3,600 tons of barley and wheat, 2,200 tons of sugar and 200 tons of edible fats.

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208. The Italian fruit processing plants have always worked at a reduced rate because of the shortage and high cost of sugar. The number of jam factories in operating condition is 226. They have a capacity of 180,000 tons, and a normal pre-war (1939-1940) production exceeding 120,000 tons. Fruit pulp has always been available in excess of requirements. The stockpile left from the production of preceding years is estimated at 50,000 tons, which may be increased to 120,000 tons after the next crop. In the first half of 1946 the factories were to process 8,500 tons of sugar, to be used for producing 18,000 tons of jam. 2,500 tons of high-priced sugar substitutes (concentrated grape juice, etc.) were also used. During the second six months of 1946, the sugar stockpiles of the factories will be depleted, unless an allocation of imported sugar, which is not yet scheduled, is received. It is estimated that the factories could process, during the last half of 1946, more than 20,000 tons of sugar, with a further production of 35,000 to 40,000 tons of jam. Coal requirements for the second half of 1946 for jam production are 30,000 tons. Most of the jam produced in 1946 will be packed in vats, glass jars and wooden boxes.

*Vegetables Processing.*

209. Italy has 303 factories producing tomato paste and peeled tomatoes. They have a capacity of more than 130,000 tons and had an average pre-war production of 90,000 tons. For the 1946 season a production of 65,000 tons of concentrated tomato paste can be expected. Either glass or wood (especially barrels) can be used for packing. 1,500 tons of tin plate from the UNRRA import program of 4,000 tons for the first half of 1946, together with reclaimed tin plate, were programmed to be used for canning 10,000 tons of tomato products. A production of 3,000 tons of peeled tomatoes is also scheduled involving the use of 900 tons of allocated and reclaimed tin plate. The production of dried vegetables, since the demand for military supplies and export to Germany ceased, has dropped to almost negligible quantities due to lack of coal. Italy has 133 factories producing preserved vegetables (peas, fresh green beans, crab apples, pickled and vinegar-seasoned vegetables) with a capacity of 30,000 tons. For 1946 the estimated production is 10,000 tons; 5,000 tons of this will be canned, using an allocation of reclaimed tin plate. The rest will be packed in barrels or glass jars.

*Fish Preserving.*

210. The 107 fish-preserving plants (including eight plants in the Istria district) have a capacity of 55,000 tons (excluding hors d'oeuvres and mixed fish and vegetables preserves). They will work at a very reduced rate in 1946, due to the shortage and high cost of fresh fish and the lack of tin plate. It is estimated that 2,500 tons of fresh fish will be canned, using 500 tons of tin plate imported by UNRRA. The total 1946 production is estimated at 5,000 tons of canned fish, including sardines and anchovies, fished in territorial waters (since there will not be the usual importation of salted fish for processing from Spain and Portugal) with a total use of 900 tons of tin plate, either imported or reclaimed. There is also a scheduled import from Turkey of bonito fish for processing. This salmon type product should yield 2,000 tons of canned fish and will need 360 tons of tin plate. Imported raw material is not required for the manufacture of salted fish, which is normally packed in barrels. It is estimated that 116 small factories (with a production capacity of 20,000 tons and a normal pre-war production of over 10,000 tons of salted fish per year), will process, in 1946, 6,000 tons of fish in barrels, mostly anchovies, sardines and eels.

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# TEXTILE INDUSTRY

## THE INDUSTRY AS A WHOLE

*Pre-war Situation.*

211. The textile industries in Italy occupy a vital position in Italy's economy. In 1938 they gave employment (with allied industries) to 633,000 people, that is about 14 % of the whole industrial population. The number of firms engaged in these industries was about 3,000.

212. Until 1934 the plants were primarily engaged in processing imported raw cotton and wool. In successive years there was a progressive shift toward synthetic fibers in a vain hope of assuring self-sufficiency. The total value of the output of the textile factories was estimated at about 11,000 million lire in 1938—of which 8,000 million lire were in goods and 3,000 million lire represented the value of wages and other operational services. Exports reached an average figure of about 3,000 million lire. Total Italian exports were valued at 10,000 million lire in the same year.

213. The domestic consumption of textile goods was affected by the low standard of living—which in the pre-war period limited the per-capita consumption to 6.45 Kgs. in 1935 compared with 9 Kgs. for Germany, 20 Kgs. for UK. and 12.65 for US. The various fibers contributed to Italian consumption as follows:

| | Kgs. |
|---|---|
| Cotton | 2.72 |
| Wool | 0.73 |
| Artificial fibers | 1.00 |
| Hemp, silk, flax & jute | 2.00 |
| | 6.45 |

*The War-time period.*

214. During the war there were few official figures of the output of the textile industries and it is difficult to arrive at an approximate evaluation of the textile products made available to civilian consumers.

TABLE 23

Italian Cotton Goods: Production 1938-46

| YEAR | Cotton spinning production | |
|---|---|---|
| | Thousand Kgs. | Index |
| 1938 | 178,443 | 100.0 |
| 1939 | 191,738 | 107.5 |
| 1940 | 177,546 | 99.5 |
| 1941 | 115,440 | 64.7 |
| 1942 | 76,121 | 42.7 |
| 1943 | 48,921 | 27.4 |
| 1944 | 16,555 | 9.3 |
| 1945 | 10,000 | 5.6 |
| 1946 January | 3,091 | 20.8 (1) |
| February | 4,152 | 27.9 |
| March | 5,152 | 34.7 |
| April | 7,248 | 48.7 |

(Source: Italian Cotton Institute).

216. The proportion of cotton fiber consumed decreased during the war, falling from 61.4 % of the total fibers used in 1939 to scarcely 7.5 % in 1944. The use of rayon increased proportionately, until in 1944 it represented in value 76.2 % of the total (2): the quality of the goods produced deteriorated accordingly.

217. As for artificial textile fibers (rayon, staple, lanital, waste), the following figures, supplied by C.I.A.I. (3), have been used to obtain an indication of the trend since 1938.

TABLE 24

Production of Artificial Fibers 1938-45

| | Production Thousands of Kgs. | Index 1938-100 | 1946 | Production | Index |
|---|---|---|---|---|---|
| 1938 | 126.516 | 100 | Jan. | 679 | 6.4 (1) |
| 1939 | 145.500 | 115 | Feb. | 807 | 7.6 |
| 1940 | 178.200 | 141 | Mar. | 1.198 | 11.4 |
| 1941 | 203.700 | 161 | Apr. | 1.688 | 16.0 |
| 1942 | 154.104 | 122 | May | 2.613 | 24.8 |
| 1943 | 109.380 | 86 | June | 3.[illegible] | 32.0 |
| 1944 | 32.916 | 26 | | | |

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212. Until 1934 the plants were primarily engaged in processing imported raw cotton and wool. In successive years there was a progressive shift toward synthetic fibers in a vain hope of assuring self-sufficiency. The total value of the output of the textile factories was estimated at about 11,000 million lire in 1938—of which 8,000 million lire were in goods and 3,000 million lire represented the value of wages and other operational services. Exports reached an average figure of about 3,000 million lire. Total Italian exports were valued at 10,000 million lire in the same year.

213. The domestic consumption of textile goods was affected by the low standard of living—which in the pre-war period limited the per-capita consumption to 6.45 Kgs. in 1935 compared with 9 Kgs. for Germany, 20 Kgs. for UK, and 12.65 for US. The various fibers contributed to Italian consumption as follows:

| | Kgs. |
|---|---|
| Cotton | 2.72 |
| Wool | 0.73 |
| Artificial fibers | 1.00 |
| Hemp, silk, flax & jute | 2.00 |
| | 6.45 |

*The War-time period.*

214. During the war there were few official figures of the output of the textile industries and it is difficult to arrive at an approximate evaluation of the textile products made available to civilian consumers. The production of cotton manufactured goods decreased rapidly from 1939. In 1944 the quantity produced was only 9.3 % of the 1938 total, and in 1945 production fell still further to about 5 % of 1938.

215. The production of cotton goods in Italy from 1938 has been as follows:

| YEAR | Thousand Kgs. | Index |
|---|---|---|
| 1938 | 178,443 | 100.0 |
| 1939 | 191,738 | 107.5 |
| 1940 | 177,546 | 99.5 |
| 1941 | 115,440 | 64.7 |
| 1942 | 76,121 | 42.7 |
| 1943 | 48,921 | 27.4 |
| 1944 | 16,555 | 9.3 |
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(Source: Italian Cotton Institute).

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| 1941 | 203.700 | 161 | Apr. | 1.688 | 16.0 |
| 1942 | 154.104 | 122 | May | 2.613 | 24.8 |
| 1943 | 109.380 | 86 | June | 3.[illegible] | 32.0 |
| 1944 | 32.916 | 26 | | | |
| 1945 | 3.720 | 2.9 | | | |

(1) Monthly indexes are calculated in tables 23 and 24 on the 1938 monthly average production.

(2) This is only a proportional value, as, in actual quantity, the use of rayon has also decreased (60 million Kg. in 1939 to 12.6 million Kg. in 1944).

(3) Consiglio Industriale per l'Alta Italia, (North Italy Industrial Council).

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218. The ration cards issued by the end of 1941 were based on the points system and, including also shoes, made it practically impossible for people to have sufficient points to replace such vital items as overcoats, blankets, shirts, woolen socks, leather footwear, etc.

219. So many ration points were requested for these goods that the average customer could get only one of them. The textile ration cards began to be offered on the black market at various prices, and by September 1943 the average price was about 1,000-1,200 lire per card. (Each card was worth 120 points. A man's overcoat needed from 80 to 100 points; a pair of pyjamas 30 points, etc.) Furthermore, the points were expendable only by quarters (30 points per quarter). It is therefore clear that for the last four years the average Italian consumer was obliged to live on his old peacetime wardrobe, which never was very large.

220. An extensive survey, carried out by the Allied Commission during the last quarter of 1944 in liberated Italy (south of the Gothic line), confirmed that the wardrobe of the Italian people was in very bad shape and that the apparent luxury of some people in the large cities was only a parade and one of the most striking proofs of past maldistribution. The textile industry, mainly concentrated in the North, did not suffer substantial war damage. Only the cotton mills around Naples (Cotonerie Meridionali) and the woolen mills around Prato (Tuscany) were severely hit, and even these have been repaired and are now at almost pre-war capacity.

*The Present Situation.*

221. From the summer of 1942 textile production for civilian purposes was very low. The goods produced in Northern Italy during the German occupation were of such a poor grade that even the most needy people, who were able to buy, were not interested in the supplies available.

222. When, after the liberation of Northern Italy, stocks of these finished goods, estimated at between 75,000 and 100,000 tons, entered the market, notwithstanding the high consumer need, they were not sold.

223. The low purchasing power of the average people, the very poor quality of the goods and the prospects of future availability of real cotton and woolen textiles, accounted for the lack of purchasers and led to a sud-

224. In May and June 1946 prices of textile goods were still quite high. Producers and distributors were anxious to avoid a downward trend of prices and lack of liquid funds hindered the disposal of the new output, produced with the first allotments of imported cotton and wool under the FEA and YT programs (2).

225. Cotton and wool were also becoming available under commercial "lavorazioni per conto" arrangements between Italian manufacturers and foreign businessmen. Under these agreements the manufacturers were producing quantities of finished goods (yarns and cloth) for account of foreign concerns who paid the Italian producers "in kind," i.e. with a certain quantity of raw materials for each unit of finished products delivered to them.

226. At the same time the low income population, while in dire need of textiles, is in no position to pay the prices asked by manufacturers, who hope to unload on the domestic market the "losses" sustained in selling abroad at international prices.

227. Moreover, the average Italian wage earner is hard put to it to make ends meet for food alone—it costs him virtually his entire salary to purchase sufficient supplementary food (over and above the low ration) to feed his family and himself. Under these conditions the average Italian cannot afford to replace worn clothing and household linen. Hospitals and institutions, short of funds because the State is operating on a budget in heavy deficit, have to go without sheets and other essentials.

*The UNRRA Program.*

228. With this situation in mind, the revised UNRRA textile imports program during 1946 includes only 34,000 tons for cotton and about 22,000 tons of wool (scoured), which correspond roughly to 0.75 Kg. of cotton and 0.50 Kg. of wool per capita i.e. respectively only 27 % and 69 % of the pre-war average consumption. Considering the need to replace worn-out clothing and the increase of population, this production is still well below average needs. Output will be supervised from the raw material to the finished product and distribution of UNRRA provided goods will be organized so as to make the clothing available to the most needy groups first. Distribution will be effected

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blankets, shirts, woolen socks, leather footwear, etc.

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222. When, after the liberation of Northern Italy, stocks of these finished goods, estimated at between 75,000 and 100,000 tons, entered the market, notwithstanding the high consumer need, they were not sold.

223. The low purchasing power of the average people, the very poor quality of the goods and the prospects of future availability of real cotton and woolen textiles, accounted for the lack of purchasers and led to a sudden and drastic fall in prices (1) (about 50 % in some cases) while the stocks remained in the hands of the manufacturers, wholesalers and retailers.

(1) This situation is characteristic of the cotton industry; a similar situation prevails in the woolen industry, though in a less acute form.

produced with the first allotments of imported cotton and wool under the FEA and YT programs (2).

225. Cotton and wool were also becoming available under commercial "lavorazioni per conto" arrangements between Italian manufacturers and foreign businessmen. Under these agreements the manufacturers were producing quantities of finished goods (yarns and cloth) for account of foreign concerns who paid the Italian producers "in kind," i.e. with a certain quantity of raw materials for each unit of finished products delivered to them.

226. At the same time the low income population, while in dire need of textiles, is in no position to pay the prices asked by manufacturers, who hope to unload on the domestic market the "losses" sustained in selling abroad at international prices.

227. Moreover, the average Italian wage earner is hard put to it to make ends meet for food alone—it costs him virtually his entire salary to purchase sufficient supplementary food (over and above the low ration) to feed his family and himself. Under these conditions the average Italian cannot afford to replace worn clothing and household linen. Hospitals and institutions, short of funds because the State is operating on a budget in heavy deficit, have to go without sheets and other essentials.

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(2) The supply program of the FEA (US Foreign Economic Administration), was based on the former military relief program and a program of essential imports for second half 1945 submitted by the Italian Government. The YT Program of Italian imports financed through foreign exchange mainly available to the Italian Government as a result of the U. S. Troop Pay fund.

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through welfare organizations, cooperative societies and the normal commercial channels. The Italian Government and the public are anxious to have cotton and woolen goods made available to all Italians, regardless of their purchasing power. This is in line with the UNRRA policy.

229. The jute in the 1946 program is imported for the manufacture of sacks, essential for agricultural products, and will release raw hemp for more appropriate uses.

230. Two thousand tons of cotton imported under the 1945 program, equally divided between the UNRRA Divisions for Health and Displaced Persons, were put into production in the early part of the year. The schedule of production was delayed by an acute shortage of power during the winter months which affected all industries. Thirty-five firms shared in this work and produced about 10 million square meters of finished cloth. Thus a much needed addition has been made to the depleted supplies of the Italian hospitals. Many necessary items of clothing were made up in the Displaced Persons Division workshops.

### *THE COTTON INDUSTRY*

231. The cotton industry is the largest in the textile group. The pre-war equipment of the cotton industry was as follows:

(a) Number of spinning spindles 5,450,000
,, ,, doubling ,, 1,000,000
,, ,, looms 136,000

(b) Location:

| | Spinning Spindles % | Doubling Spindles % | Looms % |
|---|---|---|---|
| Lombardy | 48 | 42 | 68 |
| Piedmont | 27 | 27 | 21 |
| Veneto | 13 | 13 | 5 |
| Liguria | 4 | 7 | 1 |
| Central Italy | 5 | 6 | 5 |
| Southern Italy | 3 | 5 | |

(c) Employees numbered approximately 216,000, of whom 75 % were women.

Cotton yarn 176,740 tons (average 1929-38)
,, goods 123,070 ,, ( ,, 1935-38)

(f) The pre-war annual exports of cotton yarn and cotton goods to all destinations, including colonies, were as follows:

Cotton yarn 24,250 tons (average 1929-38)
,, goods 33,285 ,, ( ,, 1935-38)

232. The difference between total production and exports, shows the domestic consumption:

Cotton yarns 152,490 tons
,, goods 89,855 ,,

The pre-war composition of cotton production during 1935-38 shows a decrease in pure cotton products from 83.4 % to 47.4 %, with a corresponding rise in mixed cotton and pure rayon products.

### *THE WOOL INDUSTRY*

233. The pre-war equipment of the wool industry was as follows:

(a) Worsted spindles (2/3 self-acting, 1/3 ring) 672,000
Woolen spindles 766,000
Looms 20,500

(b) Location:

| | Worsted Spindles % | Woolen Spindles % | Looms % |
|---|---|---|---|
| Piedmont | 60 | 48 | 43 |
| Lombardy | 8 | 9 | 14 |
| Veneto | 27 | 16 | 20 |
| Liguria | 1 | — | — |
| Tuscany | — | 23 | 22 |
| Central & Southern Italy | 4 | 4 | 1 |

(c) The total number of employees was approximately 105,000 (not including ancillary industries).

(d) Wool imports for 1929-38 were approximately 58,137 (scoured) tons per year, of which the principal sources of supply were: Australia and New Zealand (18 %), Uruguay (11 %), Argentine (22 %), South Africa (14 %), U.K. (10 %), Belgium (4 %), France (8 %), Italy and other countries (13 %).

(e) Pre-war production of yarn and fabric by the

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UNRRA policy.

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|---|---|---|---|
| Lombardy | 48 | 42 | 68 |
| Piedmont | 27 | 27 | 21 |
| Veneto | 13 | 13 | 5 |
| Liguria | 4 | 7 | 1 |
| Central Italy | 5 | 6 | 5 |
| Southern Italy | 3 | 5 | |

(c) Employees numbered approximately 216,000, of whom 75 % were women.

(d) Cotton imports for the average of 1934-38 were approximately 152,500 tons per year. Principal sources of supply were the United States (62 %), Egypt (18 %), India (17 %), Sicily and other countries (3 %).

(e) The pre-war production of cotton yarns and cotton goods was as follows:

Cotton yarn 24,250 tons (average 1929-33)
,, goods 33,285 ,, ( ,, 1935-38)

232. The difference between total production and exports, shows the domestic consumption:

Cotton yarns 152,490 tons
,, goods 89,855 ,,

The pre-war composition of cotton production during 1935-38 shows a decrease in pure cotton products from 83.4 % to 47.4 %, with a corresponding rise in mixed cotton and pure rayon products.

## *THE WOOL INDUSTRY*

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(a) Worsted spindles (2/3 self-acting, 1/3 ring) 672,000
Woolen spindles 766,000
Looms 20,500

(b) Location:

| | Worsted Spindles % | Woolen Spindles % | Looms % |
|---|---|---|---|
| Piedmont | 60 | 48 | 43 |
| Lombardy | 8 | 9 | 14 |
| Veneto | 27 | 16 | 20 |
| Liguria | 1 | — | — |
| Tuscany | — | 23 | 22 |
| Central & Southern Italy | 4 | 4 | 1 |

(c) The total number of employees was approximately 105,000 (not including ancillary industries).

(d) Wool imports for 1929-38 were approximately 58,137 (scoured) tons per year, of which the principal sources of supply were: Australia and New Zealand (18 %), Uruguay (11 %), Argentine (22 %), South Africa (14 %), U.K. (10 %), Belgium (4 %), France (8 %), Italy and other countries (13 %).

(e) Pre-war production of yarn and fabric by the Italian wool industry (including [illegible] reclaimed wool and other fibers) was as follows:

Woolen yarn 73,932 tons (average 1934-38)
,, goods 49,059 ,, ( ,, 1934-38)

(f) Pre-war exports of woolen yarn and woolen fabric were as follows;

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| | | | |
|---|---|---|---|
| Woolen yarn | 1.150 tons | (average | 1929-38) |
| Pure fabric | 6.266 .. | ( .. | 1929-38) |
| Mixed fabric | 1.082 .. | ( .. | 1929-38) |

(g) Domestic consumption, i.e. the difference between production and exports, was:

| | |
|---|---|
| Woolen yarns | 72.782 tons |
| .. fabrics | 41.711 .. |

## *ARTIFICIAL FIBERS INDUSTRY*

### *Foreword.*

234. The artificial fiber industry received a powerful stimulus under the self-sufficiency campaign which began in about 1935. In this year a great improvement was introduced in the form of rayon staple fiber, which soon became important in world markets.

235. The important increase in the production of staple fiber was chiefly due to its use as a substitute for raw cotton and partly for wool.

### *Pre-war Production.*

TABLE 25

| Year | Production of Rayon (including waste) Kgs. | Production of staple fibers Kgs. | Total |
|---|---|---|---|
| 1934 | 41.000.000 | 10.000.000 | 51.000.000 |
| 35 | 42.000.000 | 30.000.000 | 72.000.000 |
| 36 | 42.000.000 | 50.000.000 | 92.000.000 |
| 37 | 52.000.000 | 71.000.000 | 123.000.000 |
| 38 | 49.000.000 | 75.000.000 | 124.000.000 |
| 39 | 57.000.000 | 86.000.000 | 143.000.000 |
| 40 | 56.000.000 | 113.000.000 | 169.000.000 |
| 41 | 62.000.000 | 135.000.000 | 197.000.000 |
| 42 | 59.000.000 | 93.000.000 | 152.000.000 |

236. During the last five years, the estimated consumption of rayon and staple fiber by the cotton and the wool manufacturers was about 30-35,000 tons per year for the cotton industry and 20-25,000 tons per year for the wool industry.

237. In other words artificial fibers, which at the beginning were intended as a substitute for silk, have gradually become supplementary to rather than a sub-

### *Present Conditions.*

239. With the exception of some plants located in Central and Southern Italy the artificial fibers industry has not suffered heavy damage by the war. Its present productive capacity is estimated as 85 % of pre-war.

### *The UNRRA Program for 1946.*

240. Under the UNRRA revised program for 1946, it is planned to import only the small quantity of cellulose necessary for the production of rayon cord for synthetic rubber tires.

### *Outlook.*

241. Italy has, as soon as normal conditions return, a good chance to recover its pre-war position in world markets as the largest exporter (1) of rayon yarn and textiles.

242. Only by exporting the major portion of its output is the artificial fibers industry in a position to import necessary supplies of cellulose and coal.

## *SILK*

243. The silk industry has long been one of the cornerstones of the country's textile economy. There are three separate production stages: reeling, twisting and weaving. The first two are the most important.

244. The pre-war situation was approximately as follows:

| | | |
|---|---|---|
| (a) Number of reeling plants | | 676 |
| .. .. basins (1/2 in Lombardy, 1/3 in Veneto, remainder in Piedmont, Marche etc.) | | 38.300 |
| .. .. twisting plants | | 205 |
| .. .. twisting spindles | | 1.428.000 |
| .. .. weaving plants | | 182 |
| .. .. looms | | 26.900 |

(b) The total number of workers was about 100,000.

(1) Exports of rayon and staple fibers:

| Year | Export (Kgs.) |
|---|---|

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.. fabrics 72.782 tons
41.711 ..

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| 41 | 62.000.000 | 135.000.000 | 197.000.000 |
| 42 | 59.000.000 | 93.000.000 | 152.000.000 |

236. During the last five years, the estimated consumption of rayon and staple fiber by the cotton and the wool manufacturers was about 30-35.000 tons per year for the cotton industry and 20-25.000 tons per year for the wool industry.

237. In other words artificial fibers, which at the beginning were intended as a substitute for silk, have gradually become supplementary to rather than a substitute for natural fibers.

238. It must, however, be borne in mind that rayon manufacture requires the import of cellulose and coal in large quantities (1.15 Kg. of cellulose, and 4.0 Kg. of coal for each Kg. of rayon produced).

productive capacity is estimated as 85 % of pre-war.

### *The UNRRA Program for 1946.*

240. Under the UNRRA revised program for 1946, it is planned to import only the small quantity of cellulose necessary for the production of rayon cord for synthetic rubber tires.

### *Outlook.*

241. Italy has, as soon as normal conditions return, a good chance to recover its pre-war position in world markets as the largest exporter (1) of rayon yarn and textiles.

242. Only by exporting the major portion of its output is the artificial fibers industry in a position to import necessary supplies of cellulose and coal.

## *SILK*

243. The silk industry has long been one of the cornerstones of the country's textile economy. There are three separate production stages: reeling, twisting and weaving. The first two are the most important.

244. The pre-war situation was approximately as follows:

(a) Number of reeling plants 676
.. .. basins (1/2 in Lombardy, 1/3 in Veneto, remainder in Piedmont, Marche etc.) 38.300
.. .. twisting plants 205
.. .. twisting spindles 1.428.000
.. .. weaving plants 182
.. .. looms 26.900

(b) The total number of workers was about 100.000.

(1) Exports of rayon and staple fibers:

| Year | Export (Kgs.) |
|---|---|
| 1939 | 42.000.000 |
| 1940 | 35.000.000 |
| 1941 | 31.000.000 |
| 1942 | 22.000.000 |

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(c) The production of raw silk from Italian cocoons is assessed at 3,000 tons of which:

700 tons for silk fabrics
1,600 .. for stocking industries
700 .. to be exported as raw silk or manufactured.

The production of 600 tons of silk waste is to be added to the above figures.

(d) The demand for silk fabric, so urgent in 1944, became less intense in 1945 when the black market, with the approach of the end of the war, was averse from risking money in uncertain speculations. Sales on the home market have since been practically non existent. The varying offers of the factories caused prices to diminish considerably during the latter part of the year. Although the factories' most pressing problem is to find export outlets, all the efforts undertaken by the businessmen concerned and by the best firms have been in vain, and it has not been possible to arrive at anything more satisfactory than some exports to the US and the UK through military channels, and an export to Sweden.

(e) During 1938 the total export of raw silk, silk waste, and silk fabric was valued at about 280 million lire.
The silk industry was always primarily an export industry and was hit by Japanese competition which took over the most important markets. After a short period of export boom, due to accumulated demands, the same serious competition is likely to develop since Japanese silk may soon again be in the market in quantity.
Exports to France may however be developed. It is anticipated that approximately 1,500 tons of silk type fabrics could be obtained for export. The raw material requirement would amount to 1,550 tons.

### *THE JUTE INDUSTRY*

245. The jute industry is mostly concentrated in Piedmont, Liguria and Lombardy.

(a) The pre-war equipment of this industry was as

(d) Imports of jute were employed almost entirely for manufactures for home consumption and only small amounts of processed jute were normally exported. The pre-war average of jute exports for 1929-38 was approximately 5,800 tons.

(e) The difference between imports and exports gives a domestic consumption of approximately 40,000 tons (average 1929-38). This takes into account the yield from raw material to processed jute.

246. UNRRA plans to import 10,000 tons of jute the bulk of which is to be used for the manufacture of jute bags for holding grain and other agricultural products.

### *HEMP AND FLAX*

247. Italy is one of the big sources of hemp in the world but the hemp industry is not among the larger textile industries.

(a) The pre-war situation was as follows:

| | |
|---|---|
| Number of spinning spindles | 130,000 |
| .. .. twisting spindles | 25,000 |
| .. .. looms | 8,300 |

(b) The total number of workers was about 25,000 plus 6,000 for the manufacture of rope, string and cordage.

(c) The requirement of the civil population is estimated at 18,000 tons of hemp fabric; in addition a further quantity of 17,000 tons of yarn is required for the manufacture of technical articles, string, cordage and twine for fishing nets. These figures leave 2,300 tons of fabric and 6,000 tons of yarn available for export. Italy used to export large quantities of raw hemp and tow (about 50,000 tons per annum).

(d) The same general conditions as in the other textile industries prevailed in the hemp and flax industries. While the special qualities of flax enabled this fabric to stand the competition of cotton, hemp has far less possibilities of large sales on the domestic market except for ropes,

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700 ,, to be exported as raw silk or manufactured.

The production of 600 tons of silk waste is to be added to the above figures.

(d) The demand for silk fabric, so urgent in 1944, became less intense in 1945 when the black market, with the approach of the end of the war, was averse from risking money in uncertain speculations. Sales on the home market have since been practically non existent. The varying offers of the factories caused prices to diminish considerably during the latter part of the year. Although the factories' most pressing problem is to find export outlets, all the efforts undertaken by the businessmen concerned and by the best firms have been in vain, and it has not been possible to arrive at anything more satisfactory than some exports to the US and the UK through military channels, and an export to Sweden.

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Exports to France may however be developed. It is anticipated that approximately 1,500 tons of silk type fabrics could be obtained for export. The raw material requirement would amount to 1,550 tons.

### *THE JUTE INDUSTRY*

245. The jute industry is mostly concentrated in Piedmont, Liguria and Lombardy.

(a) The pre-war equipment of this industry was as follows:

| | |
|---|---|
| Number of spindles | 87,600 |
| ,, ,, looms | 5,278 |

(b) The total number of workers was about 15,000.

(c) The average jute imports for 1929-38 was approximately 48,278 metric tons per year. The principal source of supply was India.

for 1929-38 was approximately 5,800 tons.

(e) The difference between imports and exports gives a domestic consumption of approximately 40,000 tons (average 1929-38). This takes into account the yield from raw material to processed jute.

246. UNRRA plans to import 10,000 tons of jute the bulk of which is to be used for the manufacture of jute bags for holding grain and other agricultural products.

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(c) The requirement of the civil population is estimated at 18,000 tons of hemp fabric; in addition a further quantity of 17,000 tons of yarn is required for the manufacture of technical articles, string, cordage and twine for fishing nets. These figures leave 2,300 tons of fabric and 6,000 tons of yarn available for export. Italy used to export large quantities of raw hemp and tow (about 50,000 tons per annum).

(d) The same general conditions as in the other textile industries prevailed in the hemp and flax industries. While the special qualities of flax enabled this fabric to stand the competition of cotton, hemp has far less possibilities of large sales on the domestic market except for ropes, heavy canvas etc.

Only hemp yarns under 20 d. counts can compete with pure cotton yarns. Consequently the trend, begun with the self-sufficiency campaign, of using hemp fibers, either alone or mixed with other natural or artificial fibers, as substitute for cotton and wool, has now been reversed.

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# THE LEATHER AND FOOTWEAR INDUSTRY

## *HISTORY*

248. The tanning of hides and skins and the use of the resultant leather for the production of footwear became industrialized in the modern sense of the word only in the second half of the last century. Many outstanding improvements were then introduced in the customary thousand of years old routine. The chrome process was initiated in the tanneries and sewing and assembling machine work in the shoemaker's shops.

249. While fairly large tanneries were already in operation in Italy from the beginning of the XIX century, shoe production on an industrial scale began about 50 years ago, when mechanical equipment and processes were imported from the USA.

250. Plants were first built in Turin, Varese, Milan, Vigevano and in other towns of Northern Italy, but only after World War I did a large number of medium and small factories begin to operate in this area and in Central Italy. Now most of the factories, tanneries and shoe manufacturing, are concentrated in the following regions: Lombardy, Piedmont, Emilia and Tuscany.

251. The official figures of 1940 show: 650 tanneries with 22,000 workers and 1,250 shoe manufacturers with 49,000 workers. Less than 20 % of these include firms with more than 50 workers each.

## *PRE-WAR ANNUAL PRODUCTION*

### *Tanneries.*

252. The Italian tanneries in the pre-war period (average of the years 1934-1938) treated the following quantities of raw hides and skins:

| | |
|---|---|
| 27,000,000 Kg. | of imported raw cattle hides (dry) |
| 27,000,000 Kg. | of imported raw cattle hides (dry) |
| 62,000,000 .. | of local raw cattle hides and skins (fresh) |
| 4,500,000 .. | of imported goat and sheep skins (salted dry). |

Almost 85 % of the above quantities went for shoe production and 15 % for technical uses (belting etc.) and novelty leather goods (luggage, saddlery, etc.).

### *Shoe manufacturers.*

253. The annual output of the Italian shoe manufacturers in the pre-war period reached an average of 25 to 30 million pairs of all-leather shoes. The need [illegible] (about 44 million) for a wide

## *THE WAR PERIOD*

254. During the war imports of raw hides were drastically reduced, and the production of leather substitutes increased. This increase in leather substitutes occurred notwithstanding that rubber or synthetic plastics were used as substitute binding materials. Finally all-leather shoes were forbidden by special law.

255. By 1942 the industrial shoe production had been reduced to 15,150,000 pairs for civilians and 3,000,000 pairs of Army boots. Only 13 % or about 2,000,000 pairs of civilian shoes were built with leather soles and the remainder were shoes with very little or no leather at all.

256. For the years 1943, 1944, and first half of 1945 no official figures are available, but some experts calculate that the total production in these years amounted to about 20 million pairs including shoes produced by factories and artisans. From this amount must be deducted the considerable German lootings of which no estimate is available.

257. During the six years ending July 1945 the curtailment of production has resulted in a shortage of at least 120 million pairs of new shoes needed to meet normal Italian requirements during the same period. The urgent need of replacements and repairs is thus obvious.

## *PRESENT SITUATION*

### *Productive Capacity.*

258. North Italy has retained almost its full capacity potential (only three percent of the leather and footwear plants were damaged or destroyed), while in the other regions of Central and Southern Italy war damage has reduced productive capacity to 85 % of pre-war.

### *Availability of local raw hides and skins.*

259. Taking into account the depletion of local cattle resources and the reduction in cattle slaughtering in order to build up the live-stock population once again, it has been calculated that domestic production of hides and skins will amount in 1946 only to 14-16,000 tons (40-45 % of pre-war) (1).

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came industrialized in the modern sense of the word only in the second half of the last century. Many outstanding improvements were then introduced in the customary thousand of years old routine. The chrome process was initiated in the tanneries and sewing and assembling machine work in the shoemaker's shops.

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### *Shoe manufacturers.*

253. The annual output of the Italian shoe manufacturers in the pre-war period reached an average of 25 to 30 million pairs of all-leather shoes. The need of the Italian population (about 44 million) for a wide range of products, i.e. ordinary footwear and high fashioned styles, sport shoes and mountaineers footwear, were met by hand-made production of local craftsmen (artisans). Most popular types among wage earners are sandals, clogs, shoes made with cloth uppers and scrap rubber for soles commonly used in summertime.

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(1) The reduced rate of slaughtering especially affects the availability of skins from calves and heifers, thus reversing almost completely the import requirements which in pre-war years were mainly of hides for sole leather. On the other hand, local production of heavy hides for soling and belting will be a much greater proportion than pre-war.

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*Prices.*

260. The efficient exploitation of the indigenous production of raw hides and skins is greatly impaired by the general economic situation of Italy and the internal price structure. Domestic prices are nowhere near the international level at the established rate of exchange between the lira and the dollar or pound sterling. As an example, the price in lire for 1 Kg. of raw, dry, soling hide ready for tanning, made from imported (Argentine) hides is about 85 lire per kg. while the price for 1 Kg. of domestic hides fresh as above is about 215 lire—a difference of 130 lire per kilogram. This difference between internal and international prices is still wider for tanned leather. The prices for the auxiliary materials used in the tanning process (chestnut extract, chrome salts, colors, sulphur oil, fats, etc.) are from four to six times higher than the corresponding prices of the same commodities on the international market.

261. As a consequence, the current price in lire of the shoes now produced in Italy with domestic raw materials is four to six times higher than the prices of the same types produced in the US.

262. On the other hand the consumer's purchasing power (the average salary has been calculated at about 10,000 lire per month), is almost completely absorbed by the cost of food and does not afford generally any expenditure even for other essential commodities.

*THE UNRRA PROGRAM FOR 1946*

263. The UNRRA revised importation program includes the following quantities of raw materials to be used exclusively in the manufacture of shoes.

| | 1946 | | |
|---|---|---|---|
| | First Half (metric tons) | Second Half (metric tons) | Total (metric tons) |
| Raw hides . . | 4,000 | 2,000 | 6,000 |
| Composition soling . | 2,000 | — | 2,000 |
| Quebracho extracts . | 1,400 | — | 1,400 |

264. The UNRRA program provides for the manufacture of about 5 million pairs of shoes. The program can meet the vital needs for shoes of only about one-tenth of the Italian population, or sufficient only for the poorest and most war-battered part of the population, including more than 1,000,000 Italian and other refugees and displaced persons.

265. Because of the impossibility of securing allocations for Italy of sufficient quantities of hides, UNRRA has also undertaken a special program for repairing military surplus boots. The UNRRA Italian Mission has already turned over to the Government 514,000 repaired shoes, mostly for Italian displaced persons who have returned to their homes or are in the process of settling elsewhere. An additional 500,000 shoes will complete this special program. Most of these shoes are "mismated" shoes discarded by the US Army. They are "mated" again by a production-line process and repaired and thereafter have many miles of walking left in them.

266. The leather industry as a whole is expected to operate on a very reduced scale during 1946-47 and until normal conditions of international trade return.

267. When the leather industry is able to fill the large domestic needs, productive capacity (chiefly of the tanneries) will still be available to supply external markets, provided raw materials are forthcoming.

268. Germany in the pre-war period had large exports of leather and leather goods. The Italian leather industry is in a position to take part of this trade, especially in high grade qualities and special items.

269. On the shoe-manufacturing side, opportunities for export should be open for hand-made footwear, including fashionable shoes, sports shoes, mountain and ski boots and riding boots.

270. Other leather items which can be exported on a large scale are women's hand-bags, saddles, suit cases, trunks, and other specialized items.

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# THE IRON AND STEEL INDUSTRY

## *HISTORICAL BACKGROUND*

271. The Italian iron and steel industry dates back to approximately 1870, when the first open hearth furnace was introduced.

272. The industry advanced fairly rapidly and production of steel had reached approximately 1,000,000 tons in 1932. Production was fostered under the fascist regime and further increased to a peak production of 2,344,000 tons in 1939.

exclusively carbon steel products at Bagnoli, Piombino, Portoferraio and Trieste (including steel rails, produced at Bagnoli), and the Cogne Company which specialises in high grade alloy and stainless steels. Other firms under this combine are Terni, Ansaldo and Dalmine. The only large concern entirely owned by private capital and privately managed is the Acciaierie e Ferrerie Lombarde Falck. These larger concerns accounted for about one half of Italian iron and steel production. As Tables 26 and 27 shew, there are also many smaller iron and steel firms and many metal-working plants.

TABLE 26

Italian Iron and Steel Industry in 1938

| | Number of plants | Installed power HP | Number of workers | Annual: Working hours (Thousands of hours) | Annual: Salary paid (Thousands of lire) |
|---|---|---|---|---|---|
| Producing pig iron & steel . . . . | 76 | 132,222 | 19,539 | 35,668 | 112,382 |
| First operation . . . . . | 68 | 503,686 | 25,949 | 49,133 | 168,078 |
| Forging & deep-drawing . . . . . | 39 | 31,065 | 2,992 | 5,879 | 18,691 |
| Drawing and rolling . . . . . | 163 | 35,361 | 7,452 | 13,712 | 38,046 |
| Chain manufactories . . . . . | 22 | 650 | 406 | 666 | 1,645 |
| TOTA . . . | 368 | 702,984 | 56,338 | 105,058 | 338,842 |

273. The steel industry was practically taken over by the Government in 1933 with the aim of securing independence from foreign supplies. Evidence of this is the rapid expansion of the electrical production of pig iron and the steel. In 1937 powers of control over this industry were placed in corporations, and the financial control exercised by a special holding company, the Institute for Industrial Reconstruction (IRI), and other

## *TYPES OF INSTALLATIONS*

### *Blast furnaces for pig iron production.*

275. Prior to the war, there were 14 blast furnaces with an annual productive capacity of approximately 1,200,000 tons of pig iron. The Ilva Company operated 12 of these furnaces in their plants at Bagnoli, Piom-

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271. The Italian iron and steel industry dates back to approximately 1870, when the first open hearth furnace was introduced.

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Portoferraio and Trieste (including steel rails, produced at Bagnoli), and the Cogne Company which specialises in high grade alloy and stainless steels. Other firms under this combine are Terni, Ansaldo and Dalmine. The only large concern entirely owned by private capital and privately managed is the Acciaierie e Ferrerie Lombarde Falck. These larger concerns accounted for about one half of Italian iron and steel production. As Tables 26 and 27 shew, there are also many smaller iron and steel firms and many metal-working plants.

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274. The Italian Government now owns and controls through its agencies almost 70 % of the steel industry, including two groups responsible for production in all stages from ore to the finished product. Included in these two groups are the Ilva Company which produces

*TYPES OF INSTALLATIONS*

*Blast furnaces for pig iron production.*

275. Prior to the war, there were 14 blast furnaces with an annual productive capacity of approximately 1,200,000 tons of pig iron. The Ilva Company operated 12 of these furnaces in their plants at Bagnoli, Piombino, Portoferraio and Trieste, with a daily production of 1,610 tons. The Cogne Company operated two furnaces at Aosta with 400 tons daily production. The retreating Germans completely destroyed nine of these furnaces and badly damaged one. This left two furnaces at Aosta and two at Trieste in operating condition, with an annual productive capacity of 400,000 tons.

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*Electric furnaces for producing pig iron.*

276. Prior to the war there were 120 electric furnaces producing pig iron in Italy. These suffered very little war damage, the major loss being two furnaces removed to Germany from the Terni plant. The annual productive capacity of the electric furnaces is 270,000 tons of pig iron.

*Open hearth steel furnaces.*

277. At the end of 1939 Italy had 310 open hearth furnaces, their rating varying between 25 and 110 tons each. Their yearly productive capacity was 2,750,000 tons of steel. This annual capacity was reduced to approximately 2,000,000 tons through war damage to the Bagnoli, Torre Annunziata, Portoferraio, Piombino and Terni plants. As a result of rebuilding this capacity has been increased to 2,500,000 tons.

*Electric furnaces for producing steel.*

278. Some 125 electric furnaces, mainly in Northern Italy, capable of producing about 1,750,000 tons of steel a year, suffered practically no war damage.

*Rolling mills.*

279. A few of the more modern of the 311 rolling mills existing in Italy prior to the war were removed to Germany and to provide against the closing of a large number of old and inefficient mills, kept going by the availability of cheap labor.

## *PRODUCTION*

*Pig iron.*

280. Table 28 gives the production of pig iron for the years 1935 to 1945 and shows an increase in electric furnaces output. The accelerated activity of production for war in the period 1938 to 1941 is noteworthy.

TABLE 27

Iron and Steel Plants in Italy Classified According to Size: 1937

| | Less than 100 employees | | From 101 to 500 employees | | From 501 to 1000 employees | | From 1001 to 2000 employees | | Over 2000 employees | |
|---|---|---|---|---|---|---|---|---|---|---|
| | No. of plants | No. of workers | No. of plants | No. of workers | No. of plants | No. of workers | No. of plants | No. of workers | No. of plants | No. of workers |
| Producing Pig-Iron & Steel | 23 | 920 | 35 | 8302 | 9 | 5764 | 4 | 4589 | — | — |
| First operation | 13 | 427 | 38 | 10528 | 7 | 4822 | 6 | 7702 | 1 | 2470 |
| Forging & deep-drawing | 32 | 757 | 6 | 1624 | 1 | 611 | — | — | — | — |
| Drawing and rolling | 132 | 2932 | 20 | 4520 | — | — | — | — | — | — |
| Chain factories | 20 | 259 | 1 | 147 | — | — | — | — | — | — |
| TOTAL | 220 | 5295 | 100 | 25121 | 17 | 11197 | 10 | 12291 | 1 | 2470 |

TABLE 28

Production of pig iron 1935-45

| Year | Total production | ELECTRIC FURNACES | | BLAST FURNACES | |
|---|---|---|---|---|---|
| | | Production | % of total production | Production | % of total production |
| 1935 | 626,000 | 64,995 | 10.4 | 560,746 | 89,1 |
| 1936 | 747,000 | 73,834 | 9.9 | 673,517 | 90,1 |
| 1937 | 790,000 | 106,169 | 13.4 | 683,723 | 86,5 |
| 1938 | 863,000 | 80,659 | 9.4 | 782,170 | 90,6 |
| 1939 | 1,008,000 | 139,651 | 13.8 | 868,830 | 86,2 |
| 1940 | 1,050,000 | 177,692 | 16.4 | 882,296 | 83,6 |
| 1941 | 1,036,000 | 258,565 | 25.0 | 777,539 | 75,0 |
| 1942 | 889,000 | 213,069 | 24.0 | 676,545 | 76,1 |

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to Germany from the Terni plant. The annual productive capacity of the electric furnaces is 270.000 tons of pig iron.

*Open hearth steel furnaces.*

277. At the end of 1939 Italy had 310 open hearth furnaces, their rating varying between 25 and 110 tons each. Their yearly productive capacity was 2,730,000 tons of steel. This annual capacity was reduced to approximately 2,000,000 tons through war damage to the Bagnoli, Torre Annunziata, Portoferraio, Piombino and Terni plants. As a result of rebuilding this capacity has been increased to 2,500,000 tons.

*Electric furnaces for producing steel.*

278. Some 125 electric furnaces, mainly in Northern Italy, capable of producing about 1,750,000 tons of steel a year, suffered practically no war damage.

*Rolling mills.*

279. A few of the more modern of the 311 rolling mills existing in Italy prior to the war were removed to Germany, some others were partially damaged. The yearly productive capacity of about 4,500,000 tons was reduced by about 10 %. The total capacity of the steel producing and steel fabricating equipment has far exceeded production in its peak year. These capacities were built up to provide proper maintenance time for the furnaces,

## PRODUCTION

*Pig iron.*

280. Table 28 gives the production of pig iron for the years 1935 to 1945 and shows an increase in electric furnaces output. The accelerated activity of production for war in the period 1938 to 1941 is noteworthy.

TABLE 27

Iron and Steel Plants in Italy Classified According to Size: 1937

| | Less than 100 employees | | From 101 to 500 employees | | From 501 to 1000 employees | | From 1001 to 2000 employees | | Over 2000 employees | |
|---|---|---|---|---|---|---|---|---|---|---|
| | No. of plants | No. of workers | No. of plants | No. of workers | No. of plants | No. of workers | No. of plants | No. of workers | No. of plants | No. of workers |
| Producing Pig-Iron & Steel | 23 | 920 | 35 | 8302 | 9 | 5764 | 4 | 4589 | — | — |
| First operation | 13 | 427 | 38 | 10528 | 7 | 4822 | 6 | 7702 | 1 | 2470 |
| Forging & deep-drawing | 32 | 757 | 6 | 1624 | 1 | 611 | — | — | — | — |
| Drawing and rolling | 132 | 2932 | 20 | 4520 | — | — | — | — | — | — |
| Chain factories | 20 | 259 | 1 | 147 | — | — | — | — | — | — |
| TOTAL | 220 | 5295 | 100 | 25121 | 17 | 11197 | 10 | 12291 | 1 | 2470 |

TABLE 28

Production of pig iron 1935-45

| Year | Total production | ELECTRIC FURNACES | | BLAST FURNACES | |
|---|---|---|---|---|---|
| | | Production | % of total production | Production | % of total production |
| 1935 | 626,000 | 64,995 | 10.4 | 560,746 | 89,1 |
| 1936 | 747,000 | 73,834 | 9.9 | 673,517 | 90,1 |
| 1937 | 790,000 | 106,169 | 13.4 | 683,723 | 86,5 |
| 1938 | 863,000 | 80,659 | 9.4 | 782,170 | 90,6 |
| 1939 | 1,008,000 | 139,651 | 13.8 | 868,830 | 86,2 |
| 1940 | 1,050,000 | 177,692 | 16.4 | 882,296 | 83,6 |
| 1941 | 1,036,000 | 258,565 | 25.0 | 777,538 | 75,0 |
| 1942 | 889,000 | 213,069 | 24.0 | 676,545 | 76,1 |
| 1943 | 643,000 | 162,944 | 25.0 | 480,897 | 75,0 |
| 1944 | 231,000 | 109,310 | 47,0 | 121,695 | 53,0 |
| 1945 (1) | 61,000 | 61,000 | 100,0 | — | — |

(1) Northern Italy only (no data available for Central and Southern Italy in 1945).

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*Steel production.*

281. The production of basic steel, ingots and castings, from 1935 to 1945 is shown in Table 29. Again the increasing importance of electric power is indicated in the comparison between electric and open hearth steel:

TABLE 29

Production of Steel Ingots and Castings 1935-45

| YEAR | Total production (tons.) | Per cent. of total | |
|---|---|---|---|
| | | Open hearth production | Electric furnaces production |
| 1935 . . . | 2,202,000 | 74.6 | 25.4 |
| 1936 . . . | 2,024,000 | 70.4 | 29.6 |
| 1937 . . . | 2,086,000 | 71.5 | 28.5 |
| 1938 . . . | 2,307,000 | 72.5 | 27.5 |
| 1939 . . . | 2,344,000 | 74.5 | 25.5 |
| 1940 . . . | 2,054,000 | 70.0 | 36.0 |
| 1941 . . . | 2,056,000 | 63.0 | 37.0 |
| 1942 . . . | 1,926,000 | 65.0 | 35.0 |
| 1943 . . . | 1,727,000 | not available | not available |
| 1944 . . . | 1,025,000 | » | » |
| 1945 . . . | 336,000(1) | » | » |

(1) Northern Italy only.

*Steel fabrication.*

282. Rolling of the basic steel gave a final production of the finished material as in Table 30:

TABLE 30

Production of steel shapes, sheets, tubes, etc. 1935-38

| Year | Bars, rails and sections | Rods | Sheets | Seamless Tubes | Total |
|---|---|---|---|---|---|
| 1935 | 1,182,864 | 186,354 | 412,375 | 115,402 | 1,906,999 |
| 1936 | 947,044 | 144,067 | 411,631 | 116,625 | 1,615,729 |
| 1937 | 1,016,111 | 165,186 | 411,253 | 115,305 | 1,707,855 |
| 1938 | 970,222 | 169,684 | 467,350 | 127,309 | 1,734,565 |

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| | Tons. |
|---|---|
| Ore mined in Italy . . . . . | 990,043 |
| Pyrites ash produced in Italy . . | 536,662 |
| Ore imported . . . . . | 385,792 |
| Total ore available | 1,912,497 |
| Less exports | 191 |
| Total ore consumed | 1,912,306 |

285. The average grade of locally mined ore is 50 % Fe. and was obtained from the following sources in 1938:

| | Tons. |
|---|---|
| Tuscany (Elba) . . . . . | 608,266 |
| Piedmont (Cogne) . . . . . | 201,176 |
| Piedmont (other) . . . . . | 700 |
| Lombardy . . . . . | 69,309 |
| Sardinia . . . . . | 97,295 |
| Other regions . . . . . | 13,297 |
| Total | 990,043 |

286. The potential productive capacity of Italian mines is much larger than is utilized under normal conditions. An example of this is that Cogne increased its production of 201,176 tons in 1938 to 661,847 tons in 1942.

287. Since 1939-40 the distribution of nearly all ores with the exception of those from Cogne has been regulated by a Government-controlled combine known as Ferromin. This has a bearing on the economical utilization of the ores by smelters.

288. Operation is not expected to be resumed on a large scale at the mines for some time owing to existing stocks which are large in relation to the present rate of use.

289. The largest import requirement is coal. During the year in which steel production was highest, the steel industry consumed approximately 1,600,000 tons of coal, of which 300,000 tons were produced locally, the balance

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in the comparison between electric and open hearth steel:

TABLE 29

Production of Steel Ingots and Castings 1935-45

| YEAR | Total production (tons.) | Per cent. of total | |
|---|---|---|---|
| | | Open hearth production | Electric furnaces production |
| 1935 . . . | 2,202,000 | 74.6 | 25.4 |
| 1936 . . . | 2,024,000 | 70.4 | 29.6 |
| 1937 . . . | 2,086,000 | 71.5 | 28.5 |
| 1938 . . . | 2,307,000 | 72.5 | 27.5 |
| 1939 . . . | 2,344,000 | 74.5 | 25.5 |
| 1940 . . . | 2,054,000 | 70.0 | 36.0 |
| 1941 . . . | 2,056,000 | 63.0 | 37.0 |
| 1942 . . . | 1,926,000 | 65.0 | 35.0 |
| 1943 . . . | 1,727,000 | not available | not available |
| 1944 . . . | 1,025,000 | » | » |
| 1945 . . . | 336,000(1) | » | » |

(1) Northern Italy only.

*Steel fabrication.*

282. Rolling of the basic steel gave a final production of the finished material as in Table 30:

TABLE 30

Production of steel shapes, sheets, tubes, etc. 1935-38

| Year | Bars, rails and sections | Rods | Sheets | Seamless Tubes | Total |
|---|---|---|---|---|---|
| 1935 | 1,182,864 | 186,354 | 412,375 | 115,402 | 1,906,999 |
| 1936 | 947,044 | 144,067 | 411,631 | 116,625 | 1,615,729 |
| 1937 | 1,016,111 | 165,186 | 411,253 | 115,305 | 1,707,855 |
| 1938 | 970,222 | 169,684 | 467,350 | 127,309 | 1,734,565 |

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*RAW MATERIALS*

283. To achieve the production of pig iron and steel outlined above, certain materials need to be imported.

284. Italy normally produced 75 % of its raw ore requirements. The balance it imported. The national needs were supplied in 1938 as follows:

| | |
|---|---|
| Pyrites ash produced in Italy . . | 536,662 |
| Ore imported . . . . . | 385,792 |
| Total ore available | 1,912,497 |
| Less exports | 191 |
| Total ore consumed | 1,912,306 |

285. The average grade of locally mined ore is 50 % Fe. and was obtained from the following sources in 1938:

| | Tons. |
|---|---|
| Tuscany (Elba) . . . . . | 608,266 |
| Piedmont (Cogne) . . . . . | 201,176 |
| Piedmont (other) . . . . . | 700 |
| Lombardy . . . . . | 69,309 |
| Sardinia . . . . . | 97,295 |
| Other regions . . . . . | 13,297 |
| Total | 990,043 |

286. The potential productive capacity of Italian mines is much larger than is utilized under normal conditions. An example of this is that Cogne increased its production of 201,176 tons in 1938 to 661,847 tons in 1942.

287. Since 1939-40 the distribution of nearly all ores with the exception of those from Cogne has been regulated by a Government-controlled combine known as Ferromin. This has a bearing on the economical utilization of the ores by smelters.

288. Operation is not expected to be resumed on a large scale at the mines for some time owing to existing stocks which are large in relation to the present rate of use.

289. The largest import requirement is coal. During the year in which steel production was highest, the steel industry consumed approximately 1,600,000 tons of coal, of which 300,000 tons were produced locally, the balance being imported from the U.K., Germany and Poland. The increase in the number of operating pig iron electrical furnaces (which require less than half the coal consumed in the blast furnaces), and the increase in electric steel furnaces have effected continuing economies in coal consumption.

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290. Only pig iron of special quality for producing specialized steels was required to be imported before the war. If the policy of replacing war-damaged blast furnaces with electric furnaces is carried through, imports of normal pig iron up to 20 % of the total requirements will still have to be made.

291. The following Table shows the relative quantities of pig iron imported:

TABLE 31

Sources of Pig-Iron 1930-39

| | Pig-iron imported tons | Pig-iron produced tons |
|---|---|---|
| 1930 | 156,680 | N. A. |
| 1935 | 78,202 | 626,000 |
| 1936 | 27,093 | 747,000 |
| 1937 | 221,185 | 790,000 |
| 1938 | 68,830 | 863,000 |
| 1939 | 34,680 | 1,008,000 |

N. A. - Not available.

292. Another large import for the steel industry has always been scrap steel, the bulk of this commodity coming from the US and France.

293. The following Table gives the imports of steel scrap in 1930 to 1939:

TABLE 32

Imports of steel scrap 1930-39

| YEAR | Tons |
|---|---|
| 1930 | 855,383 |
| 1935 | 989,996 |
| 1936 | 400,423 |
| 1937 | 545,254 |
| 1938 | 615,639 |
| 1939 | 606,000 |

*WAR DAMAGE AND REHABILITATION*

pig iron furnaces, which had never before been in operation. This physical damage cut productive capacity by approximately 60 %.

295. Before the liberation of the North, steel production in Italy south of the Gothic Line was practically nil. However, production in the North had maintained a fairly high level until its liberation in the summer of 1945. The Allied Commission jointly with the Italian Government drew up a plan (a) to import certain key and essential raw materials, and (b) to assist the rehabilitation of the pig iron furnaces, but this program did not become effective until very late in 1945. Thus the lowest productive year in the Italian steel industry was 1945, when steel production was down to 15 % of normal.

296. The Italian Government-A.C. program aimed at re-establishing the industry to approximately 50 % of normal and in March 1946 production of basic steel was approximately 70,000 tons, or 45 % of normal Italian requirements.

*UNRRA PROGRAM*

297. In April 1946, UNRRA, to assist the Italian Government in the rehabilitation of the Italian steel industry, drew up a further plan of importation and assistance. Under this plan sufficient raw materials would be imported to satisfy the internal requirements of Italian industry for 1946, estimated at 1,600,000 tons of steel.

298. The UNRRA April plan makes provision for the importation of 990,000 tons coal, 90,000 tons pig iron, 140,000 tons finished and semi-finished steel, 120 tons of tin, 10,000 tons manganese ore, 750 tons nickel, 15 tons copper, 49,500 tons refractories, 12,000 tons petroleum products and sufficient alloying elements to enable 1,600,000 tons of steel to be produced.

299. Coal is the key import and if substantial quantities of coal can be provided this output can easily be achieved. There is, also, a seasonal element. Much of the production is carried out from April to November, at which time substantial excess electric power is available. Electrode materials, especially anthracite, are needed at the right time to permit the steel industry to profit by this available power.

*OUTLOOK*

300. Since the war employment figures have decreased

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291. The following Table shows the relative quantities of pig iron imported:

TABLE 31

Sources of Pig-Iron 1930-39

| | Pig-iron imported tons | Pig-iron produced tons |
|---|---|---|
| 1930 . . . . . | 156,880 | N. A. |
| 1935 . . . . . | 78,202 | 626,000 |
| 1936 . . . . . | 27,095 | 747,000 |
| 1937 . . . . . | 221,185 | 790,000 |
| 1938 . . . . . | 68,830 | 863,000 |
| 1939 . . . . . | 34,680 | 1,008,000 |

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| 1936 . . . . . | 400,423 |
| 1937 . . . . . | 545,254 |
| 1938 . . . . . | 615,639 |
| 1939 . . . . . | 606,000 |

### *WAR DAMAGE AND REHABILITATION*

294. War damage included the complete loss of nine blast furnaces, or 70 % of coke-fired pig iron producing facilities; approximately 20 open hearth furnaces; of 20 % of the coal-fired steel producing furnaces: approximately five electric furnaces, or five per cent. of the electric steel producing facilities, and two electric ally nil. However, production in the North had maintained a fairly high level until its liberation in the summer of 1945. The Allied Commission jointly with the Italian Government drew up a plan (a) to import certain key and essential raw materials, and (b) to assist the rehabilitation of the pig iron furnaces, but this program did not become effective until very late in 1945. Thus the lowest productive year in the Italian steel industry was 1945, when steel production was down to 15 % of normal.

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### *UNRRA PROGRAM*

297. In April 1946, UNRRA, to assist the Italian Government in the rehabilitation of the Italian steel industry, drew up a further plan of importation and assistance. Under this plan sufficient raw materials would be imported to satisfy the internal requirements of Italian industry for 1946, estimated at 1,600,000 tons of steel.

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### *OUTLOOK*

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300. Since the war employment figures have decreased only slightly in spite of the fact that production has dropped to a low level and is only now slowly recovering. This has, in conjunction with other post-war conditions, produced an unhealthy condition within the industry. The production of pig iron and steel from June 1945 to June 1946 in Northern Italy was as follows:

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| | | PIG-IRON | | STEEL | |
|---|---|---|---|---|---|
| | | Thousands of tons | Index 1938=100 | Thousands of tons | Index 1938=100 |
| June | 1945 | 2.447 | 7.9 | 20.521 | 14.5 |
| September | » | 12.652 | 40.8 | 33.947 | 24.0 |
| December | » | 3.011 | 9.7 | 50.791 | 35.8 |
| January | 1946 | 3.135 | 10 1 | 50.767 | 35.8 |
| February | » | 1.710 | 5.5 | 47.683 | 33.6 |
| March | » | 1.808 | 5.8 | 54.837 | 38.7 |
| April | » | 9.517 | 30.7 | 67.113 | 47.4 |
| May | » | 15.634 | 50 5 | 75.915 | 53.6 |
| June | » | 18.937 | 61.1 | 74.376 | 53.5 |

301. It is believed that steel production, and especially fabrication of small and specialized sections and sheets, can be economically conducted in Italy. These are some of the reasons:

(a) Approximately one ton of imported raw materials is required to produce one ton of steel. The fact that the source and quality of these imported materials can be selected in such manner as to give the most efficient results offers some advantages.

(b) The production of steel shapes in small sizes requiring extra labor can be competitively produced in Italy, owing to the presence of low cost labor.

(c) Cheap peak electric power is available to the industry during the high-water seasons of the year.

(d) Specialized high-grade steel, equal to any steel produced in the world, can be produced for export in plants that normally have available very high grade ores.

302. Conversion of production facilities from solid fuel firing to electricity substantially aids the recovery of the steel industry.

303. Further rationalization of the industry would be [illegible] Establishments have been built and

## *THE MACHINE INDUSTRIES*

### *History.*

304. The Italian machine industries date back to the IX century. The evolution from the artisan and small workshops to modern industrialized processes was slow. During the Napoleonic period Italian mechanical production began to have some importance, but actually its growth was directly associated with railway development beginning about 1840. At the end of the XIX century the use of electric power on a large scale marked the beginning of an evolution towards big industry organization.

305. Mechanical production increased 300 % in productive capacity during the 46 years between 1867 to 1913. This expansion was greatly accelerated during the first world war, particularly in the automobile, tire, aircraft, and shipbuilding industries.

306. At the end of the first world war, Italy had a production larger than was needed for the internal market. Only by substantial financial support of the larger firms by the Government was a collapse avoided. From this time Italian Government protection, in the form of high import tariffs and subsidized exports, increased. This protection reached a climax under the so-called "autarchic," fascist, policy which was officially established in 1935.

307. During the immediate pre-war period 8,210 firms employing a total of approximately 563.600 workers (manual and professional) were engaged in the machine industries.

### *Electro-technical Industry.*

308. The number of electrical equipment production factories reached 616, of which 10 large firms were equipped for manufacturing generators, transformers and big machinery; the remainder were small size factories especially equipped for the manufacture of switch gear and protective apparatus. The average yearly production in the electro-technical industry was as follows:

(a) generators, transformers, mercury rectifiers—a total power equivalent of 2,000,000 Kw;

(b) locomotives, street-cars, and trolley buses—1,250 units;

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| | | | | | |
|---|---|---|---|---|---|
| June | 1945 | 2.447 | 7.9 | 20.521 | 14.5 |
| September | » | 12.652 | 40.8 | 33.947 | 24.0 |
| December | » | 3.011 | 9.7 | 50.791 | 35.8 |
| January | 1946 | 3.135 | 10.1 | 50.767 | 35.8 |
| February | » | 1.710 | 5.5 | 47.683 | 33.6 |
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| April | » | 9.517 | 30.7 | 67.113 | 47.4 |
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| June | » | 18.937 | 61.1 | 74.376 | 53.5 |

301. It is believed that steel production, and especially fabrication of small and specialized sections and sheets, can be economically conducted in Italy. These are some of the reasons:

(a) Approximately one ton of imported raw materials is required to produce one ton of steel. The fact that the source and quality of these imported materials can be selected in such manner as to give the most efficient results offers some advantages.

(b) The production of steel shapes in small sizes requiring extra labor can be competitively produced in Italy, owing to the presence of low cost labor.

(c) Cheap peak electric power is available to the industry during the high-water seasons of the year.

(d) Specialized high-grade steel, equal to any steel produced in the world, can be produced for export in plants that normally have available very high grade ores.

302. Conversion of production facilities from solid fuel firing to electricity substantially aids the recovery of the steel industry.

303. Further rationalization of the industry would be an advantage. Establishments have been built and operated in the past with facilities to produce all types of steel products, each establishment thus entering into every branch of production. A plan designed to centralize production and increase the degree of specialization would contribute much to the advancement of the industry.

304. The Italian machine industries date back to the IX century. The evolution from the artisan and small workshops to modern industrialized processes was slow. During the Napoleonic period Italian mechanical production began to have some importance, but actually its growth was directly associated with railway development beginning about 1840. At the end of the XIX century the use of electric power on a large scale marked the beginning of an evolution towards big industry organization.

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*Electro-technical Industry.*

308. The number of electrical equipment production factories reached 646, of which 10 large firms were equipped for manufacturing generators, transformers and big machinery; the remainder were small size factories especially equipped for the manufacture of switch gear and protective apparatus. The average yearly production in the electro-technical industry was as follows:

(a) generators, transformers, mercury rectifiers—a total power equivalent of 2,000,000 Kw;

(b) locomotives, street-cars, and trolley buses—1,250 units;

(c) motors, from a quarter Kw to 200 Kw—250,000 units;

(d) transformers up to 1,000 Kw—10,000 units;

(e) electric bulbs about 60 million.

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*Automotive Industry.*

309. Automobile production was concentrated in some 169 body manufacturing firms and 13 assembly firms, employing approximately 42,000 people.

310. Table 33 shows the production of these firms up to 1938.

TABLE 33

Production of Automotive Vehicles, 1934-35

| TYPES | 1934 | 1935 | 1936 | 1937 | 1938 |
|---|---|---|---|---|---|
| Passenger Cars No. . | 40,812 | 40,569 | 36,183 | 61,189 | 58,974 |
| Trucks . . . . . | 3,984 | 8,625 | 14,887 | 13,917 | 10,144 |
| Total (1) | 44,796 | 49,194 | 51,070 | 75,106 | 69,118 |

(1) Special motor-vehicles, i.e. Custom built cars are excluded.

311. The expanded production shown in Table 33 decreased towards the end of the war and fell sharply in 1945 so that in April 1946 it was only 4 % of normal. War damage is estimated at 20 %.

312. No official production statistics are available for the late war period. Table 34, which relates to the production of the FIAT company, the largest automotive firm in Italy, provides a rough index of production conditions.

TABLE 34

Index of production of FIAT Company
Jan. 1945 to May 1946

| MONTH | | Production Index (1933-39 = 100) |
|---|---|---|
| January | 1945 | 8.24 |
| February | » | 11.41 |
| March | » | 8.51 |
| April | » | 4.26 |
| May | » | 14.43 |
| June | » | 32.11 |
| July | » | 36.26 |
| August | » | 23.72 |
| September | » | 42.89 |
| October | » | 56.11 |
| November | » | 51.15 |
| December | » | 46.57 |
| January | 1946 | 55.91 |
| February | » | 56.87 |
| March | » | 47.96 |
| April | » | 53.22 |
| May | » | 62.64 |

313. Exportation of automobiles from Italy has always been fairly high. It reached a peak of 342,200,000 lire in 1929. During the industrial collapse after 1929 these exports declined to less than 100 million lire and then recovered during the period 1934 to 1938 to 182,800,000 lire. This was 25 % of total production. Imports and exports of motor cars and parts are given in Tables 35 and 36.

314. The main customers for Italian motor cars were Germany, Switzerland, Hungary, British India and Dutch East Indies, and the Argentine. Trucks were exported mainly to Manchuria, Poland and Switzerland.

Imports and Exports of Automobiles and parts 1929-38

TABLE 35

| DESCRIPTION | | QUANTITIES | | | | | |
|---|---|---|---|---|---|---|---|
| | | 1929 | 1934 | 1935 | 1936 | 1937 | 1938 |
| | | | | IMPORT | | | |
| Motor vehicles for transport of persons . | No. | | 59 | 10 | 128 | 24 | 23 |
| Tractors . . . . . | » | 7,407 | 1,159 | 753 | 411 | 527 | 265 |
| Other motor-vehicles . . . . . | » | | 54 | 36 | 14 | 40 | 415 |
| Motor-car bodies and parts of same . . | Qls. | 3,231 | 159 | 16 | 113 | 263 | 224 |
| Engines for motor-vehicles . . . | » | (a) | 137 | 280 | 208 | 134 | 290 |
| Spare parts for motor-vehicles . . . | » | 12,774 | 8,971 | 4,913 | 6,838 | 11,918 | 7,478 |
| Carburettors and parts of same . . | » | (a) | 298 | 175 | 50 | 77 | 50 |
| | | | | EXPORT (1) | | | |
| Motor-vehicles for transport of persons . | No. | | 8,526 | 12,770 | 12,679 | 20,867 | 16,567 |
| Tractors . . . . . | » | 22,259 | 71 | 21 | 15 | 15 | 8 |

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310. Table 33 shows the production of these firms up to 1938.

TABLE 33

## Production of Automotive Vehicles, 1934-35

| TYPES | 1934 | 1935 | 1936 | 1937 | 1938 |
|---|---|---|---|---|---|
| Passenger Cars No. . | 40,812 | 40,569 | 36,183 | 61,189 | 58,974 |
| Trucks . . . . | 3,984 | 8,625 | 14,887 | 13,917 | 10,144 |
| Total (1) | 44,796 | 48,194 | 51,070 | 75,106 | 69,118 |

(1) Special motor-vehicles, i.e. Custom built cars are excluded.

311. The expanded production shown in Table 33 decreased towards the end of the war and fell sharply in 1945 so that in April 1946 it was only 4 % of normal. War damage is estimated at 20 %.

312. No official production statistics are available for the late war period. Table 34, which relates to the production of the FIAT company, the largest automotive firm in Italy, provides a rough index of production conditions.

| | | |
|---|---|---|
| January | 1945 | 8.24 |
| February | » | 11.41 |
| March | » | 8.51 |
| April | » | 4.26 |
| May | » | 14.43 |
| June | » | 32.11 |
| July | » | 36.26 |
| August | » | 23.72 |
| September | » | 42.89 |
| October | » | 56.11 |
| November | » | 51.15 |
| December | » | 46.57 |
| January | 1946 | 35.91 |
| February | » | 56.87 |
| March | » | 47.96 |
| April | » | 53.22 |
| May | » | 62.64 |

313. Exportation of automobiles from Italy has always been fairly high. It reached a peak of 342,200,000 lire in 1929. During the industrial collapse after 1929 these exports declined to less than 100 million lire and then recovered during the period 1934 to 1938 to 182,800,000 lire. This was 25 % of total production. Imports and exports of motor cars and parts are given in Tables 35 and 36.

314. The main customers for Italian motor cars were Germany, Switzerland, Hungary, British India and Dutch East Indies, and the Argentine. Trucks were exported mainly to Manchuria, Poland and Switzerland.

TABLE 35

## Imports and Exports of Automobiles and parts 1929-38

| DESCRIPTION | | QUANTITIES | | | | | |
|---|---|---|---|---|---|---|---|
| | | 1929 | 1934 | 1935 | 1936 | 1937 | 1938 |
| | | | | IMPORT | | | |
| Motor vehicles for transport of persons . | No. | | 59 | 10 | 128 | 24 | 23 |
| Tractors . . . . . | » | 7,407 | 1,159 | 753 | 411 | 527 | 265 |
| Other motor-vehicles . . . . . | » | | 54 | 36 | 14 | 40 | 415 |
| Motor-car bodies and parts of same . . | Qls. | 3,231 | 159 | 16 | 113 | 263 | 224 |
| Engines for motor-vehicles . . . | » | (a) | 137 | 280 | 208 | 134 | 290 |
| Spare parts for motor-vehicles . . . | » | 12,774 | 8,971 | 4,913 | 6,838 | 11,918 | 7,478 |
| Carburettors and parts of same . . | » | (a) | 298 | 175 | 50 | 77 | 50 |
| | | | | EXPORT (1) | | | |
| Motor-vehicles for transport of persons . | No. | | 8,526 | 12,770 | 12,679 | 20,867 | 16,567 |
| Tractors . . . . . | » | 23,259 | 71 | 21 | 15 | 15 | 8 |
| Other motor-vehicles . . . . . | » | | 463 | 251 | 285 | 608 | 890 |
| Motor-car bodies and parts of same . . | Qls. | 143 | 1,566 | 3,369 | 2,802 | 4,865 | 5,479 |
| Engines for motor-vehicles . . . | » | (a) | 544 | 1,081 | 273 | 55 | 229 |
| Spare parts for motor-vehicles . . . | » | 1,581 | 10,279 | 11,667 | 10,308 | 6,636 | 7,056 |
| Carburettors and parts of same . . | » | (a) | 6 | 2 | 23 | 16 | 23 |

(a) Included in other items – (1) Italian Colonies excluded.

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TABLE 36

Exports to Italian Colonies of Automobiles and parts: 1934 to 1938

| DESCRIPTION | 1934 | 1935 | 1936 | 1937 | 1938 |
|---|---|---|---|---|---|
| | QUANTITY | | | | |
| Motor-vehicles for transport of persons . . . . . N. | 333 | 978 | 2,363 | 4,913 | 1,715 |
| Tractors . . . . . » | 17 | 11 | 26 | 128 | 89 |
| Other motor-vehicles . . . . . » | 112 | 876 | 5,070 | 6,977 | 976 |
| Motor-car bodies and parts of same . . . . . Qls. | 173 | 171 | 870 | 1,638 | 437 |
| Engines for motor-vehicles . . . . . » | 70 | 230 | 1,034 | 1,134 | 408 |
| Spare parts for motor vehicles . . . . . » | 2,928 | 7,212 | 43,061 | 47,046 | 37,151 |
| Carburettors and parts of same . . . . . » | — | 4 | 15 | 2 | 654 |
| | VALUE (thousands of lire) | | | | |
| Motors-vehicles for transport of persons . . . . . | 4,276 | 9,948 | 27,627 | 50,002 | 36,000 |
| Tractors . . . . . | 348 | 162 | 441 | 5,758 | 2,905 |
| Other motor-vehicles . . . . . | 3,205 | 32,833 | 245,186 | 404,935 | 66,744 |
| Motor-car bodies and parts of same . . . . . | 130 | 126 | 618 | 1,834 | 582 |
| Engines for motor.-vehicles . . . . . | 175 | 383 | 1,696 | 2,271 | 838 |
| Spare parts for motor-vehicles . . . . . | 5.133 | 13,398 | 85,530 | 111,660 | 84,309 |
| Carburettors and parts of same. . . . . | — | 1 | 25 | 47 | 2,261 |
| Totals | 13,267 | 56,853 | 361,123 | 576,597 | 193,639 |

*Production of Farm Machinery.*

315. The production of farm machinery was not as highly developed as might have been expected. Farming equipment and methods of cultivation, especially in the Southern regions of Italy, are not in line with modern development.

316. Following the first world war the industry expanded and in 1939 it met approximately 80 % of internal requirements. In 1939 Italy imported 4,700 tons and exported (mainly to its colonies) 1,700 tons of agricultural machinery.

TABLE 37

Farm machinery
1939 Production and 1946 Requirements

| Type of equipment | 1946 Requirements No. of units | 1939 Production No. of units |
|---|---|---|
| Tractors . . . | 2,500 | 1,400 |

317. Factories in Southern and Central Italy were somewhat damaged by warfare, but the North Italian industry, practically unscathed, has a productive capacity of about 70 % of the pre-war total for the whole country. The machinery required to meet Italy's expanded agricultural program in 1946 is given in the first column of Table 37. With the arrival of raw materials scheduled in the UNRRA import program for basic industries, and assuming sufficient coal is made available, the 1946 requirements listed in Table 37 can be provided from home resources.

*Shipbuilding.*

318. Before the war 310 shipyards (including repair shops) were working. Their productive capacity reached the average figure of 200,000 tons of shipping per year. Manpower averaged 200,000.

319. It is well known that some of the biggest and

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| | | QUANTITY | | | | |
|---|---|---|---|---|---|---|
| Motor-vehicles for transport of persons | N. | 333 | 978 | 2,363 | 4,913 | 1,715 |
| Tractors | » | 17 | 11 | 26 | 128 | 89 |
| Other motor-vehicles | » | 112 | 876 | 5,070 | 6,977 | 976 |
| Motor-car bodies and parts of same | Qls. | 173 | 171 | 870 | 1,638 | 437 |
| Engines for motor-vehicles | » | 70 | 230 | 1,034 | 1,134 | 408 |
| Spare parts for motor vehicles | » | 2,928 | 7,212 | 43,061 | 47,046 | 37,151 |
| Carburettors and parts of same | » | — | 4 | 15 | 2 | 654 |
| | | VALUE (thousands of lire) | | | | |
| Motors-vehicles for transport of persons | | 4,276 | 9,848 | 27,627 | 50,002 | 36,000 |
| Tractors | | 348 | 162 | 441 | 3,758 | 2,905 |
| Other motor-vehicles | | 3,205 | 32,833 | 245,186 | 404,935 | 66,744 |
| Motor-car bodies and parts of same | | 130 | 126 | 618 | 1,834 | 582 |
| Engines for motor.-vehicles | | 175 | 383 | 1,696 | 2,271 | 838 |
| Spare parts for motor-vehicles | | 5,133 | 13,398 | 85,530 | 111,660 | 84,309 |
| Carburettors and parts of same | | — | 1 | 25 | 47 | 2,261 |
| | Totals | 13,267 | 56,853 | 361,123 | 576,597 | 193,839 |

*Production of Farm Machinery.*

315. The production of farm machinery was not as highly developed as might have been expected. Farming equipment and methods of cultivation, especially in the Southern regions of Italy, are not in line with modern development.

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TABLE 37

Farm machinery

1939 Production and 1946 Requirements

| Type of equipment | 1946 Requirements No. of units | 1939 Production No. of units |
|---|---|---|
| Tractors | 2,500 | 1,400 |
| Ploughs | 30,000 | 30,000 |
| Threshing Machines | 800 | 600 |
| Sowing » | 10,000 | 10,000 |
| Reaping » | 8,000 | 5,000 |
| Mechanical hay-shifting rakes | 3,000 | 2,000 |

317. Factories in Southern and Central Italy were somewhat damaged by warfare, but the North Italian industry, practically unscathed, has a productive capacity of about 70 % of the pre-war total for the whole country. The machinery required to meet Italy's expanded agricultural program in 1946 is given in the first column of Table 37. With the arrival of raw materials scheduled in the UNRRA import program for basic industries, and assuming sufficient coal is made available, the 1946 requirements listed in Table 37 can be provided from home resources.

*Shipbuilding.*

318. Before the war 310 shipyards (including repair shops) were working. Their productive capacity reached the average figure of 200,000 tons of shipping per year. Manpower averaged 200,000.

319. It is well known that some of the biggest and most modern liners in the world were built in Italy's shipyards. The shipyards also built coastal shipping, of which Italy, with its long coast line and terrain, has special need.

320. The production of shipping tonnage during the period 1919-1942 was:

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TABLE 38

Number and gross tonnage of vessels of 100 tons and above launched in Italian Shipyards, 1919-1942

| YEAR | Number of ships | Gross tons |
|---|---|---|
| 1919 | 32 | 82,713 |
| 1920 | 82 | 133,190 |
| 1921 | 86 | 170,948 |
| 1922 | 42 | 101,177 |
| 1923 | 21 | 66,523 |
| 1924 | 19 | 82,526 |
| 1925 | 31 | 142,046 |
| 1926 | 27 | 220,021 |
| 1927 | 25 | 101,076 |
| 1928 | 29 | 58,640 |
| 1929 | 32 | 71,457 |
| 1930 | 36 | 87,709 |
| 1931 | 33 | 165,048 |
| 1932 | 8 | 47,441 |
| 1933 | 3 | 16,560 |
| 1934 | 6 | 26,638 |
| 1935 | 4 | 22,667 |
| 1936 | 7 | 11,345 |
| 1938 | 13 | 93,503 |
| 1939 (1) | 6 | 49,460 |
| 1940 (1) | 8 | 44,311 |
| 1941 | 14 | 119,419 |
| 1942 (1) | 20 | 115,789 |

(1) Vessels completed.

321. The size of the Italian Merchant Navy throughout these years is shown in Table 39:

TABLE 39

Number and gross tonnage of vessels of 100 tons and over, 1929-39

(according to Lloyd's Register)

| YEAR | Number of vessels | Gross tons |
|---|---|---|
| 1929 | 1,380 | 3,284,660 |
| 1930 | 1,380 | 3,331,226 |
| 1931 | 1,347 | 3,335,673 |
| 1932 | 1,323 | 3,390,572 |
| 1933 | 1,278 | 3,149,807 |
| 1934 | 1,242 | 3,928,396 |
| 1935 | 1,231 | 2,884,406 |
| 1936 | 1,246 | 3,098,159 |
| 1937 | 1,270 | 3,212,634 |
| 1938 | 1,293 | 3,290,484 |
| 1939 | 1,335 | 3,448,453 |

*Railway Rolling Stock.*

323. Railway rolling stock in the year 1939 was produced by 68 plants employing approximately 22,000 men.

324. This branch of industry could satisfy entirely the internal demand with a margin for export. The maximum yearly production and pre-war production capacity were as follows:

TABLE 40

Actual and potential production of rolling stock, pre-war

| Types of rolling stock | Production | |
|---|---|---|
| | Actual No. | Capacity No. |
| Steam locomotives | — | 350 |
| Diesel & Diesel electric locomotives | — | 400 |
| Self-propelling internal combustion railway cars | 150 | 300 |
| Passenger cars | 1,000 | 1,500 |
| Freight & special cars | 8,000 | 12,000 |
| Street cars & trolley buses (mechanical part) | 700 | 2,000 |
| Railway electric locomotives | 100 | 300 |

This industry also repaired from 25,000 to 35,000 passenger and freight cars per annum.

325. The above data does not take into consideration the production of the State Railway workshops which had (and now intend to rebuild under their own management) important working equipment.

326. The larger industries suffered considerable war damage. As, however, actual capacity exceeds production, these industries will be in a position to make a large contribution to the reconstruction program.

327. To facilitate a rapid rebuilding of rolling stock, UNRRA is importing approximately 15,000 tons of finished steel and 10,000 tons of finished lumber, in an effort to meet the following 1946 goals for new production:

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| YEAR | Number of ships | Gross tons |
|---|---|---|
| 1919 | 32 | 82,713 |
| 1920 | 82 | 133,190 |
| 1921 | 86 | 170,948 |
| 1922 | 42 | 101,177 |
| 1923 | 21 | 66,523 |
| 1924 | 19 | 82,526 |
| 1925 | 31 | 142,046 |
| 1926 | 27 | 220,021 |
| 1927 | 25 | 101,076 |
| 1928 | 29 | 58,040 |
| 1929 | 32 | 71,457 |
| 1930 | 36 | 87,709 |
| 1931 | 33 | 165,048 |
| 1932 | 8 | 47,441 |
| 1933 | 3 | 16,560 |
| 1934 | 6 | 26,638 |
| 1935 | 4 | 22,667 |
| 1936 | 7 | 11,345 |
| 1938 | 13 | 33,503 |
| 1939 (1) | 6 | 49,460 |
| 1940 (1) | 8 | 44,311 |
| 1941 | 14 | 119,419 |
| 1942 (1) | 20 | 115,789 |

(1) Vessels completed.

321. The size of the Italian Merchant Navy throughout these years is shown in Table 39:

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Number and gross tonnage of vessels of 100 tons and over, 1929-39

(according to Lloyd's Register)

| YEAR | Number of vessels | Gross tons |
|---|---|---|
| 1929 | 1,380 | 3,284,660 |
| 1930 | 1,380 | 3,331,226 |
| 1931 | 1,347 | 3,335,673 |
| 1932 | 1,323 | 3,390,572 |
| 1933 | 1,278 | 3,149,807 |
| 1934 | 1,242 | 3,928,396 |
| 1935 | 1,231 | 2,884,406 |
| 1936 | 1,246 | 3,098,159 |
| 1937 | 1,270 | 3,212,634 |
| 1938 | 1,293 | 3,290,484 |
| 1939 | 1,335 | 3,448,453 |

322. During the war approximately 3,291,052 gross tons were lost (vessels sunk, seized in Allied ports, etc.) so that now Italy owns (including all vessels repaired and refitted during recent months) only 123 units of more than 100 tons, totalling 507,880 gross tons.

324. This branch of industry could satisfy entirely the internal demand with a margin for export. The maximum yearly production and pre-war production capacity were as follows:

TABLE 40

Actual and potential production of rolling stock, pre-war

| Types of rolling stock | Production | |
|---|---|---|
| | Actual No. | Capacity No. |
| Steam locomotives | — | 350 |
| Diesel & Diesel electric locomotives | — | 400 |
| Self-propelling internal combustion railway cars | 150 | 300 |
| Passenger cars | 1,000 | 1,500 |
| Freight & special cars | 8,000 | 12,000 |
| Street cars & trolley buses (mechanical part) | 700 | 2,000 |
| Railway electric locomotives | 100 | 300 |

This industry also repaired from 25,000 to 35,000 passenger and freight cars per annum.

325. The above data does not take into consideration the production of the State Railway workshops which had (and now intend to rebuild under their own management) important working equipment.

326. The larger industries suffered considerable war damage. As, however, actual capacity exceeds production, these industries will be in a position to make a large contribution to the reconstruction program.

327. To facilitate a rapid rebuilding of rolling stock, UNRRA is importing approximately 15,000 tons of finished steel and 10,000 tons of finished lumber, in an effort to meet the following 1946 goals for new production:

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| | |
|---|---|
| Freight cars | 10,000 |
| Passenger » | 700 |
| Steam locomotives | 20 |
| Diesel rail cars | 20 |
| Electric locomotives | 75 |

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328. It is further estimated that a repair program for 1946 will make available for use further quantities of equipment as follows:

| | |
|---|---|
| Passenger cars | 2,000 |
| Freight | 19,000 |
| Steam locomotives | 500 |
| Diesel rail cars | 200 |
| Electric locomotives | 100 |

329. In addition to the materials mentioned above, UNRRA imports include coal and petroleum products for this production program. The balance of raw material requirements can be furnished locally.

330. For some years to come the total production of the workshops will be absorbed in maintaining and rebuilding existing transportation facilities. New lines and expansion of the electrification of railroads to keep step with increased availability of hydro-electric power will be necessary in the future.

## *MINING INDUSTRY* (1)

331. In mine products Italy is poor and a dependent nation. Only in mercury, marble, zinc, sulphur, talc, pumice, building stones and bauxite has Italy been self-supporting.

332. Under the fascist regime production in key minerals was encouraged by the formation of "Aziende," in which the State had a controlling interest, and by advantageous concessions to operations of "marginal" properties.

333. Pre-war mineral exports consisted mainly of three items: sulphur 33 %, marble 33 % and mercury 20 % for a value of about $17,000,000. The value of imported mineral products was about seven times this amount and consisted principally of coal, oil and iron ore.

334. The following Tables 41 and 42 summarize Italian mining activities between 1925 and 1942. Table 54 shows the relative self-sufficiency of Italy in minerals.

335. Physical war damage suffered by the Italian mining industry was not serious, amounting to not more than 15 %.

November 1943 and made responsible for (a) production of mines; (b) recruitment of labor for mines; (c) requisition of mining supplies.

337. Supplies for the mines constituted the major problem affecting their rehabilitation and operation. Inventories of expendable items at the Sicilian and Sardinian mines were low. Requisitions were, therefore, submitted through Army channels for importation of supplies that could not be obtained through local availabilities.

### *Sulphur.*

338. Sulphur has been produced in Sicily since the earliest times; at one time the Sicilian mines supplied practically the whole world. Italian sulphur production is now exceeded only by that of the United States. The principal producing districts are the provinces of Caltanissetta, Enna and Agrigento and, on the mainland, in the Marche-Romagna region. In Sicily the producers are numerous and small and some 123 properties are operating. The Montecatini Company controls 40-45 % of Italian sulphur.

339. In 1940 a sales organisation, Ente Zolfi, which had been in existence since 1906 became the official Government body to control sulphur export.

340. The general post-war conditions have affected production costs so that the economic export of sulphur at the present time is difficult. Nevertheless production at the Sicilian sulphur mines is now approximately 7,000 tons a month.

### *Mercury.*

341. Italy has long been the most important producer of mercury in the world and before the war divided the market with Spain under a cartel arrangement. All deposits in Italy are concentrated in the Monte Amiata district and at Idria in Gorizia province. The Idria mine is the second largest single producer in the world, Almadem in Spain being the largest. The Idria mine output in recent years has declined both in quantity and grade but the mine still has large and rich reserves. The Monte Amiata Co. which is responsible for 63 %

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| | |
|---|---|
| Passenger cars | 2,000 |
| Freight | 19,000 |
| Steam locomotives | 506 |
| Diesel rail cars | 200 |
| Electric locomotives | 100 |

329. In addition to the materials mentioned above, UNRRA imports include coal and petroleum products for this production program. The balance of raw material requirements can be furnished locally.

330. For some years to come the total production of the workshops will be absorbed in maintaining and rebuilding existing transportation facilities. New lines and expansion of the electrification of railroads to keep step with increased availability of hydro-electric power will be necessary in the future.

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333. Pre-war mineral exports consisted mainly of three items: sulphur 33 %, marble 33 % and mercury 20 % for a value of about $17,000,000. The value of imported mineral products was about seven times this amount and consisted principally of coal, oil and iron ore.

334. The following Tables 41 and 42 summarize Italian mining activities between 1925 and 1942. Table 54 shows the relative self-sufficiency of Italy in minerals.

335. Physical war damage suffered by the Italian mining industry was not serious, amounting to not more than 15 %.

336. During the Allied Control period, the Mining Division, Allied Commission was created by AFHQ in Inventories of expendable items at the Sicilian and Sardinian mines were low. Requisitions were, therefore, submitted through Army channels for importation of supplies that could not be obtained through local availabilities.

(1) For domestic production of solid fuel see para 113.

### *Sulphur.*

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339. In 1940 a sales organisation, Ente Zolfi, which had been in existence since 1906 became the official Government body to control sulphur export.

340. The general post-war conditions have affected production costs so that the economic export of sulphur at the present time is difficult. Nevertheless production at the Sicilian sulphur mines is now approximately 7,000 tons a month.

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342. The Italian mines were highly productive during the early part of the war but production began to fall in 1942. Mercury production figures are as follows:

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TABLE 41

## Production of Minerals in Italy, 1925-42

(Tons.)

| Year | Solid fuels | SULPHUR ORES | | | LEAD AND ZINC ORES | | | |
|---|---|---|---|---|---|---|---|---|
| | | Mercury | Raw Sulphur | Pyrites | Lead Concentrates | Lead & Zinc. | Zinc Concentrates | Low Grade Zinc |
| 1925 | 1,296,696 | 217,152 | 1,774,275 | 493,806 | 51,362 | 1,883 | 177,085 | — |
| 1930 | 818,146 | 243,138 | 2,233,845 | 717,270 | 49,978 | — | 163,650 | 37,044 |
| 1935 | 989,108 | 118,553 | 1,941,816 | 833,402 | 39,934 | — | 98,013 | 46,109 |
| 1940 | 4,396,946 | 253,927 | 2,135,019 | 1,060,568 | 75,030 | 1,040 | 154,223 | 57,288 |
| 1941 | 4,459,369 | 263,491 | 1,973,600 | 997,857 | 66,974 | 3,680 | 139,702 | 52,476 |
| 1942 | 4,907,950 | 227,753 | 1,592,891 | 970,624 | 51,430 | 5,820 | 172,231 | — |

TABLE 42

## Employment in Mining Industry, 1925-40

| Year | No. of workers | Year | No. of workers |
|---|---|---|---|
| 1925 | 47,289 | 1935 | 43,764 |
| 1930 | 48,134 | 1940 | 112,736 |

TABLE 43

## Production of mercury 1930-1945

| Year | Total production | Production at | |
|---|---|---|---|
| | | Idria | Amiata |
| | (Number of flasks) | | |
| 1930 | 54,300 | 13,000 | 22,500 |
| 1935 | 31,147 | 8,087 | 14,860 |
| 1940 | 82,600 | 13,800 | 35,500 |
| 1941 | 82,900 | 14,800 | 35,000 |
| 1942 | 72,750 | 11,050 | 32,400 |
| 1943 | 61,945 | 8,400 | 29,545 |

***Zinc and Lead.***

344. Italy has three lead smelters with a total capacity of 47,000 tons of lead and four zinc reduction plants with an annual capacity of 45,000 tons.[1]

345. The consumption and source of lead and zinc for 1938, the last normal year were as follows:

TABLE 44

## Lead and zinc in 1938

| LEAD | Ore and Concentrates (95 % recovery) (tons) | Smelted metal (tons) |
|---|---|---|
| Primary production (from ore) . | 39,000 | 44,031 |
| Secondary production (from scrap) | — | 4,381 |
| Imports . . . . . | 7,000 | 5,468 |
| | 46,000 | 53,880 |

| ZINC | Sulphide (tons) | Ore and Concentrates (90 % recovery) Carbonate (tons) | Ore and Concentrates (90 % recovery) Total (tons) | Smelted metal (tons) |
|---|---|---|---|---|
| Production . | 61,000 | 23,000 | 84,000 | 33,747 |
| Exports . . | — | — | 39,000 | — |
| Imports . . | — | — | — | 1,784 |
| | 61,000 | 23,000 | 45,000 | 35,531 |

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| Year | Solid fuels | Mercury | Raw Sulphur | Pyrites | Lead Concentrates | Lead & Zinc. | Zinc Concentrates | Low Grade Zinc |
|---|---|---|---|---|---|---|---|---|
| 1925 | 1,296,696 | 217,152 | 1,774,275 | 493,806 | 51,362 | 1,883 | 177,085 | — |
| 1930 | 818,146 | 243,138 | 2,233,845 | 717,270 | 49,978 | — | 163,650 | 37,044 |
| 1935 | 989,108 | 118,553 | 1,941,816 | 833,402 | 39,934 | — | 98,013 | 46,109 |
| 1940 | 1,396,946 | 253,927 | 2,135,019 | 1,060,568 | 75,030 | 1,040 | 154,223 | 57,288 |
| 1941 | 1,459,369 | 263,491 | 1,973,600 | 997,857 | 66,974 | 3,680 | 139,702 | 52,476 |
| 1942 | 1,907,950 | 227,753 | 1,592,891 | 970,624 | 51,430 | 5,829 | 172,231 | — |

TABLE 42

## Employment in Mining Industry, 1925-40

| Year | No. of workers | Year | No. of workers |
|---|---|---|---|
| 1925 | 47,289 | 1935 | 43,764 |
| 1930 | 48,134 | 1940 | 112,736 |

TABLE 43

## Production of mercury 1930-1945

| Year | Total production | Production at | |
|---|---|---|---|
| | | Idria | Amiata |
| | (Number of flasks) | | |
| 1930 | 54,300 | 13,000 | 22,500 |
| 1935 | 31,147 | 8,087 | 14,860 |
| 1940 | 82,600 | 13,800 | 35,500 |
| 1941 | 82,900 | 14,800 | 35,000 |
| 1942 | 72,750 | 11,050 | 32,400 |
| 1943 | 61,945 | 8,400 | 29,545 |

*Zinc and Lead.*

343. Lead and zinc mining are important industries. In the past Italian zinc and lead production plants have not been able to smelt the entire output or to provide Italian requirements of the metals. In 1938 ore and concentrates were exported and 12 % of Italy's lead requirements and 3 % of its zinc requirements were imported in the form of metal.

344. Italy has three lead smelters with a total capacity of 47,000 tons of lead and four zinc reduction plants with an annual capacity of 45,000 tons.

345. The consumption and source of lead and zinc for 1938, the last normal year were as follows:

TABLE 44

## Lead and zinc in 1938

| LEAD | Ore and Concentrates (95 % recovery) (tons) | Smelted metal (tons) |
|---|---|---|
| Primary production (from ore) . | 39,000 | 44,031 |
| Secondary production (from scrap) | — | 4,381 |
| Imports . . . . . | 7,000 | 5,468 |
| | 46,000 | 53,880 |

| ZINC | Sulphide (tons) | Ore and Concentrates (90 % recovery) Carbonate (tons) | Ore and Concentrates (90 % recovery) Total (tons) | Smelted metal (tons) |
|---|---|---|---|---|
| Production . | 61,000 | 23,000 | 84,000 | 33,747 |
| Exports . . | — | — | 39,000 | — |
| Imports . . | — | — | — | 1,784 |
| | 61,000 | 23,000 | 45,000 | 35,531 |

346. Production was resumed at the zinc and lead reduction plants with 150 tons of zinc and approximately 1,300 tons of lead in April 1946. Maintenance of this production rate, and any increase, depend on the availability of coke.

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## OTHER INDUSTRIES

347. The size and distribution of major Italian industries have now been considered. Smaller industries, of prime importance to the general economy of the country, are being assisted by UNRRA, and in a few instances, due to their key importance, are receiving more imported materials than some of the larger industries.

### *Rubber Industry.*

(a) *General.*

348. The Italian rubber industry is a well-integrated and important factor in the industrial structure of the country. The leader in the field is the Pirelli Company which controls approximately 80 % of the total industry, including all products. A smaller, but also important organization is the Michelin plant at Turin.

349. The industry can manufacture a wide range of products. Under normal conditions the importation of finished rubber goods into Italy is small in relation to total consumption. From 20 to 25 % of the finished goods produced are normally exported to European markets. A small percentage of specialized articles is normally exported to the United States.

350. Prior to the war, Italy produced approximately 25 % of its total raw rubber requirements in synthetic rubber plants using alcohol as the raw material. The operation of these factories was stopped during the war due to the conflict between the use of food and feeding stuffs for the production of alcohol and the need for rubber. No effort has been made to restart these plants, since the need for agricultural products for direct human consumption is still pressing.

351. Practically all raw materials for the production of rubber goods must be imported, the only exception being some special accelerators and chemicals required for compounding.

352. The rubber industry suffered considerable war damage, particularly the Pirelli plants at Tivoli and Milan. This damage, however, has been almost completely repaired and at least 95 % of the manufacturing facilities are now available for production.

(b) *1946 UNRRA Program.*

[illegible] shortage of tires and mechanical

TABLE 45

Italian Requirements for Rubber Products, 1946

| | |
|---|---|
| Truck tires | 600,000 units |
| Passegers cars | 380,000 » |
| Motocycle tires | 30,000 » |
| Inner tubes | 870,000 » |
| Bicycle tires | 3,300,000 » |
| Bicycle inner tubes | 4,080,000 » |
| Soles and heels for footwear | 5,000 » |
| Ebonite | 1,600 » |
| Hose | 1,750 tons |
| Sanitary articles | 340 » |
| Elastic Thread | 215 » |
| Mechanical rubber parts | 5,600 » |
| Rubber clothing | 260,000 units |
| Rubber footwear | 8,000,000 pairs |
| Rubber insulated electric cables | 100,000 Km. |

354. To provide essential raw materials for the rubber industries, the UNRRA program has been drawn up to cover 80 % of the productive capacity and includes natural and synthetic rubber, latex, carbon black, and special chemicals for rubber manufacture, as follows:

| | |
|---|---|
| Natural rubber | 9,822 tons |
| Synthetic rubber | 9,823 » |
| Latex etc. | 488 » |
| Carbon Black | 7,900 » |
| Special chemicals for rubber manufacture | 1,169 » |

355. Closely related to the manufacture of automotive tires and mechanical rubber goods is that of electric cables. The Pirelli factories have a recognized world position in this field and have contributed much to the development of high-tension cables. The revival of this industry also forms part of the UNRRA program and in addition to the importation of rubber and textile fibers for use in cables, electrolytic copper is an important item in the UNRRA import plan.

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try, are being assisted by UNRRA, and in a few instances, due to their key importance, are receiving more imported materials than some of the larger industries.

### *Rubber Industry.*

(a) *General.*

348. The Italian rubber industry is a well-integrated and important factor in the industrial structure of the country. The leader in the field is the Pirelli Company which controls approximately 80 % of the total industry, including all products. A smaller, but also important organization is the Michelin plant at Turin.

349. The industry can manufacture a wide range of products. Under normal conditions the importation of finished rubber goods into Italy is small in relation to total consumption. From 20 to 25 % of the finished goods produced are normally exported to European markets. A small percentage of specialized articles is normally exported to the United States.

350. Prior to the war, Italy produced approximately 25 % of its total raw rubber requirements in synthetic rubber plants using alcohol as the raw material. The operation of these factories was stopped during the war due to the conflict between the use of food and feeding stuffs for the production of alcohol and the need for rubber. No effort has been made to restart these plants, since the need for agricultural products for direct human consumption is still pressing.

351. Practically all raw materials for the production of rubber goods must be imported, the only exception being some special accelerators and chemicals required for compounding.

352. The rubber industry suffered considerable war damage, particularly the Pirelli plants at Tivoli and Milan. This damage, however, has been almost completely repaired and at least 95 % of the manufacturing facilities are now available for production.

(b) *1946 UNRRA Program.*

353. There is a severe shortage of tires and mechanical rubber goods in Italy at the present time and the revival of the rubber industry has received top priority, both in the earlier military programs and in the UNRRA program for 1946. The total requirements of important rubber articles for 1946 are estimated by the Italian Government to be as follows:

| | |
|---|---|
| Truck tires | 600,000 units |
| Passegers cars | 380,000 » |
| Motocycle tires | 30,000 » |
| Inner tubes | 870,000 » |
| Bicycle tires | 5,300,000 » |
| Bicycle inner tubes | 4,000,000 » |
| Soles and heels for footwear | 5,000 » |
| Ebonite | 1,500 » |
| Hose | 1,750 tons |
| Sanitary articles | 340 » |
| Elastic Thread | 215 » |
| Mechanical rubber parts | 5,600 » |
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| Rubber insulated electric cables | 100,000 Km. |

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(c) *Outlook.*

356. Provided that adequate raw materials can be obtained by Italy on the world market, the future of the rubber industry in Italy is bright. With the excellent manufacturing facilities now available and the technical

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knowledge gained from continued research and development work, the industry should be in a position greatly to expand its export market to European countries both for tires and mechanical rubber goods. It is however doubtful whether synthetic rubber can be produced economically in Italy in competition with that derived from petroleum in the United States. It is doubtful also whether synthetic rubber produced in Italy will be competitive with natural rubber, which still is preferred for use in this industry.

*Building Materials.*

357. In the period 1935-1938, domestic building and public works construction sponsored in Italy included: slum clearance projects, cooperative farm settlements, low-cost housing for industrial workers and public works projects. The following Tables give an indication of the volume of home construction and public works projects initiated in this period:

TABLE 46

Construction in Italy, 1935-1938

| YEAR | New | Additions to Standing Structures | Rooms Total |
|---|---|---|---|
| | (All Units in terms of Rooms) | | |
| 1935 | 253,551 | 141,888 | 395,437 |
| 1936 | 284,936 | 154,874 | 439,810 |
| 1937 | 226,255 | 109,369 | 335,624 |
| 1938 | 149,382 | 77,889 | 226,271 |

TABLE 47

Italian Public Works, 1935-1937

| YEAR | No. of projects (Building, Railways and stations, Docks, Hydraulic Stations, Roads, etc.) |
|---|---|
| 1935 | 1,673,246 |
| 1936 | 1,422,393 |
| 1937 | 1,313,329 |

358. The current requirements for new construction and for repairs are extremely great as the result of war

359. These needs will place a heavy load on the building materials industry in Italy. It is probable that the full capacity of the industry will be employed for many years to come.

360. The facilities for manufacturing building materials are discussed briefly below. These materials are supplemented to a great extent by the use of local stone as a common wall construction material.

(a) *Brick and Tile.*

361. It is estimated that Italy has approximately 1,700 brick and tile plants employing approximately 60,000 people. 1937 production from these plants was approximately as follows:

TABLE 48

| | No. |
|---|---|
| Solid Bricks | 1,267,264,000 |
| Hollow Bricks | 283,020,000 |
| Flat and Curved Tiles | 130,439,000 |
| Other types tiles and bricks | 66,454,000 |

362. The distribution of brick and tile plants is rather general throughout the country, since there are few areas in Italy which do not contain suitable clays for the manufacture of these materials. The largest installations are located in the Cremona, Mantova and Piacenza areas. Most of the plants are equipped with Hoffman kilns, using waste fuels such as coal or coke dust, charcoal, wood, and sawdust and, therefore, for satisfactory operation, represent only a small drain on the nation's fuel imports. Except for the kilns, however, the plants are not particularly modern and few are equipped with pre-dryers. The operation is seasonal in nature, but is generally satisfactory for Italian purposes. This industry suffered little war damage and at the present time is capable of furnishing all local needs. The plants have almost all operated to capacity during 1945 and 1946.

5012

(b) *Cement.*

363. Due to the shortage of steel in Italy, "Portland" cement has become one of its most important structural

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| YEAR | No. of projects (Building, Railways and stations, Docks, Hydraulic Stations, Roads, etc.) |
|---|---|
| 1935 | 1,673,246 |
| 1936 | 1,422,893 |
| 1937 | 1,313,329 |

358. The current requirements for new construction and for repairs are extremely great as the result of war damage. This is true not only of industrial plants and public works but also of dwellings. In Central and Southern Italy, towns were heavily damaged and villages demolished as the result of bombing and artillery fire. Many large cities in Italy experienced damage up to 15 to 20 % of the total housing facilities, and damage of industrial buildings probably exceeds this proportion.

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5012

(b) *Cement.*

363. Due to the shortage of steel in Italy, "Portland" cement has become one of its most important structural materials. In 1938, the production of 172 firms was estimated at four million tons.

364. The equipment available in the cement industry is a mixture of very old and very modern. Production from the newer plants represents about 70 % of the total. "Portland" cement is used in a variety of dif-

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ferent types of construction (notably in poured structures, with or without reinforcing steel) as mortar for stone and brick masonry construction and for external and internal surfacing of walls.

365. Many modern plants, particularly in the Florence and Pisa areas, suffered damage as a result of German demolition. These plants are being rapidly repaired and at the present time about 80 % are in use. Due to the heavy equipment involved in cement manufacture, the repair of damage of this type is difficult. Practically all this equipment was originally imported from Denmark, Germany and the United States.

366. The manufacture of "Portland" cement requires large quantities of coal, amounting to approximately 20 % by weight of the cement produced. The industry has been adequately supplied with fuel and can satisfy all immediate requirements for rehabilitation.

*Lumber.*

367. Italy produced, just prior to the war, approximately 75 % of its lumber requirements within the country. During the war, and since the war, the forest reserves of the country have been reduced by excessive cutting. To protect the remainder of the forests, a maximum importation of lumber is planned. A plan of reforestation for preservation of the timber supply of Italy has been drawn up.

368. The average number of employees engaged annually in the lumber and woodworking industries in Italy during the two years preceding the war was 447,577. The lumber industry takes fourth place among Italian production industries. Woodworking was sub-divided in 1938 as follows:

(a) 2,720 saw mills with 38,765 employees (not including artisan shops).

(b) 300 artisan firms for the production of charcoal.
100 artisan firms for the production of poles.
50 artisan firms for the production of wooden barrels.
150 artisan firms for the production of nails and frame works.

The approximate number of employees in these artisan firms was 7,500.

369. The importation of lumber from the year 1933 to 1938 inclusive was:

TABLE 49

Lumber Imports, 1933-1938

(tons)

| YEAR | Common | Special |
|---|---|---|
| 1933 | 1,229,776 | 13,070 |
| 1934 | 1,251,214 | 7,940 |
| 1935 | 1,246,476 | 8,546 |
| 1936 | 578,230 | 3,151 |
| 1937 | 858,703 | 5,572 |
| 1938 | 570,276 | 3,913 |

370. Having regard to the present world shortage of lumber, the program of industrial supplies for the first half of 1946 was limited to 20,000 tons of heavy beams, timber, and planks for immediate use in industries producing, repairing and maintaining railway vehicles and small coastwise vessels. UNRRA is cooperating with the Italian Government to obtain from Austria and other sources as much lumber as possible to furnish urgent Italian needs. Careful salvage within the country will be necessary to complete the 1946 lumber requirements.

*Glass.*

371. Before the war the glass industry in Italy was a well balanced and important part of the industrial economy. The industry has profited from the long experience gained in the manufacture of decorative objects from glass, and there have been important exports from Italy for many years.

372. The glass industry is an important customer for soda ash and other chemicals produced by Italian industry. Basic raw materials, such as lime and silica, are readily available in the country. The glass industry is a large consumer of imported fuels, which explains the limited expansion in exports of standard items such as window glass, glass blocks, etc.

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The approximate number of employees in these artisan firms was 7,500.

(c) Plywood—34 firms with 3.000 workers. Production capacity—120,000 cubic meters per year.

(d) Wooden crates—445 firms with 1,200 employees.

(e) Furniture—1,000 firms organized as large-scale industries employing almost 18.000 workers.

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(tons)

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373. Prior to the war Italy had sufficient capacity in the glass industry to produce all domestic requirements for standard building items and containers. Two important plants at Leghorn and Pisa which were badly damaged by bombing and artillery fire are slowly being restored and should be in production again in 1947.

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371. UNRRA's main contribution to the glass industry is the supply of fuel which has kept the industry to full capacity, so far as building items are concerned. The container factories have been operating at substantially full capacity, using wood and other fuels when necessary.

*Ceramics.*

375. The ceramics industry is highly developed and is important in the industrial economy of Italy. Italian chinaware and pottery have enjoyed wide acceptance in world markets and have for many years been important exports.

376. In addition to domestic and decorative items, Italy has built a substantial industry around industrial ceramics and electrical insulators. The latter has become particularly important due to the exploitation of hydro-electric power. This industry was not severely affected by the war and practically all the pre-war plants are now operating.

377. Domestic clay is utilized to full advantage in the ceramics industry but Italy does not produce certain types of plastic and high temperature fire clay essential to the industry. Thus it has always been necessary to import a part of the raw material requirements in this field and to import all the requirements of magnesite refractories and high temperature fire clay. The ceramics industry is also a large consumer of imported fuels, although in recent years high temperature electrical heated kilns are being increasingly installed. This trend is continuing in the post-war period.

378. To ensure the supply of metallurgical and electro-technical ceramics UNRRA during 1946 will import into Italy the following materials:

| | Tons |
|---|---|
| Fire Clay . . . . . | 30,000 |
| Kaolin . . . . . | 10,000 |
| Plastic clays . . . . . | 5,000 |
| Magnesite bricks. . . . . | 4,500 |
| Asbestos . . . . . | 6,000 |

In addition to the above, sufficient fuel for the working of these materials has been programmed by UNRRA.

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TABLE 50

## Principal Suppliers of Commodities important in Italy's Import Trade and Value of Supplies in 1938

(Value in millions of lire)

| Commodity and Country | Value | Percent of total |
|---|---|---|
| Coal and coke: | | |
| Germany (1) | 1,028.0 | 58.5 |
| United Kingdom | 375.2 | 21.3 |
| Poland and Danzig | 215.6 | 12.3 |
| Czechoslovakia | 67.5 | 3.8 |
| Belgium and Luxemburg | 29.6 | 1.7 |
| Other countries | 42.1 | 2.4 |
| Total | 1,758.0 | 100.0 |
| Cotton raw: | | |
| United States | 477.6 | 57.7 |
| Egypt | 163.1 | 19.7 |
| Turkey | 63.8 | 7.7 |
| British India | 50.6 | 6.1 |
| Brazil | 25.1 | 3.0 |
| Other countries | 47.5 | 5.8 |
| Total | 827.7 | 100.0 |
| Machinery, apparatus, and parts: | | |
| Germany (1) | 497.8 | 65.6 |
| Switzerland | 75.5 | 9.9 |
| United Kingdom | 59.3 | 7.8 |
| United States | 52.5 | 6.9 |
| Sweden | 20.9 | 2.8 |
| Other countries | 53.0 | 7.0 |
| Total | 759.0 | 100.0 |
| Mineral oil, crude and residues from the distillation of: | | |
| United States | 276.3 | 42.0 |
| Rumania | 114.9 | 17.5 |
| West Indies (2) | 99.1 | 15.1 |
| Iraq | 65.5 | 10.0 |
| Colombia | 31.8 | 4.8 |
| Iran | 26.5 | 4.0 |
| Other countries | 43.1 | 6.6 |
| Total | 657.2 | 100.0 |
| Wool, in the grease and washed, wool waste, and flocks: | | |
| Australia | 138.3 | 32.9 |
| Union of South Africa | 84.3 | 20.1 |

| Commodity and Country | Value | Percent of total |
|---|---|---|
| Wood pulp: | | |
| Sweden | 155.6 | 39.6 |
| Finland | 90.4 | 23.0 |
| Germany (1) | 86.2 | 22.0 |
| Czechoslovakia | 20.0 | 5.1 |
| Other countries | 40.3 | 10.3 |
| Total | 392.5 | 100.0 |
| Copper and its alloys, in ingots and scrap: | | |
| Chile | 128.0 | 39.1 |
| United States | 70.1 | 21.4 |
| Portuguese South Africa | 69.4 | 21.2 |
| Belgium-Luxemburg | 14.1 | 4.3 |
| British South Africa | 13.6 | 4.2 |
| Other countries | 31.9 | 9.8 |
| Total | 327.1 | 100.0 |
| Lumber, common, rough, squared, or sawed: | | |
| Germany (1) | 94.5 | 40.0 |
| Yugoslavia | 77.4 | 32.7 |
| United States | 28.9 | 12.2 |
| Rumania | 9.4 | 4.0 |
| France | 6.5 | 2.8 |
| Other countries | 19.7 | 8.3 |
| Total | 236.4 | 100.0 |
| Iron and steel scrap: | | |
| United States | 161.0 | 69.2 |
| France | 30.3 | 13.0 |
| Switzerland | 17.9 | 7.7 |
| Belgium-Luxemburg | 5.8 | 2.5 |
| Netherlands | 3.2 | 1.4 |
| Other countries | 14.5 | 6.2 |
| Total | 232.7 | 100.0 |

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| Commodity and Country | Value | Percent of total |
|---|---|---|
| Coal and coke: | | |
| Germany (1) | 1,028.0 | 58.5 |
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| British India | 50.6 | 6.1 |
| Brazil | 25.1 | 3.0 |
| Other countries | 47.5 | 5.8 |
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| Germany (1) | 497.8 | 65.6 |
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| Total | 759.0 | 100.0 |
| Mineral oil, crude and residues from the distillation of: | | |
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| Rumania | 114.9 | 17.5 |
| West Indies (2) | 99.1 | 15.1 |
| Iraq | 65.5 | 10.0 |
| Colombia | 31.8 | 4.8 |
| Iran | 26.5 | 4.0 |
| Other countries | 43.1 | 6.6 |
| Total | 657.2 | 100.0 |
| Wool in the grease and washed, wool waste, and flocks: | | |
| Australia | 138.3 | 32.9 |
| Union of South Africa | 84.3 | 20.1 |
| Argentina | 57.0 | 13.6 |
| Uruguay | 36.8 | 8.8 |
| United Kingdom | 28.8 | 6.8 |
| Belgium-Luxemburg | 22.3 | 5.3 |
| Other countries | 52.5 | 12.5 |
| Total | 420.0 | 100.0 |

| Commodity and Country | Value | Percent of total |
|---|---|---|
| Wood pulp: | | |
| Sweden | 155.6 | 39.6 |
| Finland | 90.4 | 23.0 |
| Germany (1) | 86.2 | 22.0 |
| Czechoslovakia | 20.0 | 5.1 |
| Other countries | 40.3 | 10.3 |
| Total | 392.5 | 100.0 |
| Copper and its alloys, in ingots and scrap: | | |
| Chile | 128.0 | 39.1 |
| United States | 70.1 | 21.4 |
| Portuguese South Africa | 69.4 | 21.2 |
| Belgium-Luxemburg | 14.1 | 4.3 |
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| Yugoslavia | 77.4 | 32.7 |
| United States | 28.9 | 12.2 |
| Rumania | 9.4 | 4.0 |
| France | 6.5 | 2.8 |
| Other countries | 19.7 | 8.3 |
| Total | 236.4 | 100.0 |
| Iron and steel scrap: | | |
| United States | 161.0 | 69.2 |
| France | 30.3 | 13.0 |
| Switzerland | 17.9 | 7.7 |
| Belgium-Luxemburg | 5.8 | 2.5 |
| Netherlands | 3.2 | 1.4 |
| Other countries | 14.5 | 6.2 |
| Total | 232.7 | 100.0 |

Source: *Commercio di Importazione e di Esportazione*, 1938

(1) Includes Austria.

(2) Includes Netherlands West Indies, French West Indies, and the U. S. Virgin Islands.

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TABLE 51

## Relative Importance of Italian Industries 1937-38

| Class and Industry (1) | Labor employed 1938 (7) | H P. used 1938 (7) | Yearly Consumption: Electric power 1000 Kwh. 1937 (8) | Yearly Consumption: Coal 1000 T. 1938 |
|---|---|---|---|---|
| A - Industries: (1) | | | | |
| Bakeries | 101,824 | 38,279 | 760,955 | 500 |
| Food processing | 351,009 | 874,149 | | |
| Metallurgical (2) | 102,783 | 834,214 | 2,727,874 | 1,800 |
| Mechanical: | | | | |
| Automobiles and other conveyances | 208,740 | 366,411 | 870,674 | 200 |
| Other mechanical | 422,893 | 683,613 | | |
| Building materials | 124,741 | 330,164 | 495,458 | 1,400 |
| Ceramics and glass | 50,870 | 40,996 | | 200 |
| Building | 479,929 | 153,286 | | 50 |
| Textiles and clothing | 833,148 | 801,047 | 1,334,912 | 815 |
| Chemicals (3) | 98,238 | 434,352 | 2,954,663 | 550 |
| Coke ries and Gas Works | 10,074 | 54,844 | | 3,500 |
| Power Stations | 27,403 | 1,377 | — | 250 |
| Mines and Quarries | 136,012 | 193,316 | 163,278 | 70 |
| Timber | 102,289 | 131,938 | 90,368 | 10 |
| Paper | 52,437 | 209,852 | 464,622 | 160 |
| Leather, etc. | 68,906 | 63,238 | 83,038 | 5 |
| Printing | 58,769 | 41,941 | 31,079 | 5 |
| Rubber | 24,623 | 70,152 | 378,349 | 40 |
| Other Industries | 197,456 | 217,981 | | 130 |
| TOTAL INDUSTRIES | 3,250,144 | 5,541,350 | 10,355,270 | 9,685 |
| B - Handicraft: | | | | |
| Timber | 180,104 | 72,986 | 400,000 | 200 |
| Food Processing | 120,761 | 9,230 | | |
| Mechanical | 171,783 | 63,528 | | |
| Leather, etc. | 146,305 | 1,770 | | |
| Clothing | 246,202 | 8,385 | | |
| Other handicraft | 254,081 | 107,606 | | |
| TOTAL HANDICRAFT | 1,119,236 | 263,505 | 400,000 | 200 |
| TOTAL A + B | 4,369,380 | 5,804,855 | 10,755,270 | 9,885 |
| C - Transportation: | | | | |
| State Railways | 110,468 | (4) | 1,367,164 | 1,900 |
| Bunkers | 67,446 | (4) | | 1,250 |
| Other transports | 127,131 | (4) | | |
| TOTAL TRANSPORTS | 305,045 | (4) | 1,367,164 | 3,150 |
| TOTAL A + B + C | 4,674,425 | (4) | 12,122,434 | 13,035 |
| D - OTHER CONSUMPTION: | | | 1,037,243 (5) | 965 (6) |
| | | | 13,159,677 | 14,000 |

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| Class and Industry (1) | Labor employed 1938 (7) | H P used 1938 (7) | Electric power 1000 Kwh. 1937 (8) | Coal 1000 T. 1938 |
|---|---|---|---|---|
| A - Industries: (1) | | | | |
| Bakeries | 101,824 | 38,279 | 760,955 | 500 |
| Food processing | 351,009 | 874,119 | | |
| Metallurgical (2) | 102,783 | 834,214 | 2,727,874 | 1,800 |
| Mechanical: | | | | |
| Automobiles and other conveyances | 206,740 | 366,411 | 870,674 | 200 |
| Other mechanical | 422,893 | 683,613 | | |
| Building materials | 124,741 | 330,164 | 495,458 | 1,400 |
| Ceramics and glass | 50,870 | 40,996 | | 200 |
| Building | 479,929 | 153,286 | | 50 |
| Textiles and clothing | 633,148 | 801,647 | 1,334,912 | 815 |
| Chemicals (3) | 98,238 | 434,352 | 2,954,663 | 550 |
| Cokeries and Gas Works | 10,074 | 34,844 | | 3,500 |
| Power Stations | 27,403 | 1,577 | — | 250 |
| Mines and Quarries | 136,012 | 193,316 | 163,278 | 70 |
| Timber | 102,289 | 131,938 | 90,368 | 10 |
| Paper | 52,437 | 209,852 | 464,622 | 160 |
| Leather, etc. | 68,906 | 63,238 | 83,038 | 5 |
| Printing | 58,769 | 41,941 | 31,079 | 5 |
| Rubber | 24,623 | 70,152 | 378,349 | 40 |
| Other Industries | 197,456 | 217,981 | | 130 |
| TOTAL INDUSTRIES | 3,250,144 | 5,541,350 | 10,355,270 | 9,685 |
| B - Handicraft: | | | | |
| Timber | 180,104 | 72,986 | | |
| Food Processing | 120,761 | 9,230 | | |
| Mechanical | 171,783 | 63,528 | | |
| Leather, etc. | 146,305 | 1,770 | 400,000 | 200 |
| Clothing | 246,202 | 8,385 | | |
| Other handicraft | 254,081 | 107,606 | | |
| TOTAL HANDICRAFT | 1,119,236 | 263,505 | 400,000 | 200 |
| TOTAL A + B | 4,369,380 | 5,804,855 | 10,755,270 | 9,885 |
| C - Transportation: | | | | |
| State Railways | 110,468 | (4) | | |
| Bunkers | 67,446 | (4) | 1,367,164 | 1,900 |
| Other transports | 127,131 | (4) | | 1,250 |
| TOTAL TRANSPORTS | 305,045 | (4) | 1,367,164 | 3,150 |
| TOTAL A + B + C | 4,674,425 | (4) | 12,122,434 | 13,035 |
| D - OTHER CONSUMPTION: | | | 1,037,243 (5) | 965 (6) |
| | | | 13,159,677 | 14,000 |

(1) Fishing excluded;
(2) Electro-metallurgic industries included;
(3) Electro-chemical industries included;
(4) The primary (steam or liquid fuel etc.) and electric power applied to vehicles is 11,067,664 HP. including 8,701,833 for land transportation, 2,141,521 for sea, lake and river transportation and 224,310 for air transportation;
(5) Private and public lighting - agriculture, appliances for consumption in houses and stores;
(6) Domestic uses, hospitals and agriculture;
(7) Industrial census 1937-39 (Statistical year-book of 1943);
(8) Electric power consumed in 1937 (Statistical year-book of 1939).

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TABLE 52

## Italy's Consumption of Electric Energy by Classes of Consumers: 1936 and 1939

| | 1936 | | | | 1939 | | | |
|---|---|---|---|---|---|---|---|---|
| | Hundred Thousand KWH | | % | % | Hundred Thousand KWH | | % | % |
| Domestic Lighting | 626 | | 5.40 | | 749 | | 4.74 | |
| Public Lighting | 272 | | 2.35 | | 311 | | 1.97 | |
| Domestic & Public Appliances | 300 | 1,198 | 2.59 | 10.34 | 438 | 1,498 | 2.77 | 9.48 |
| Agriculture | 134 | | 1.15 | | 145 | | 0.92 | |
| Food | 656 | 790 | 5.66 | 6.81 | 788 | 933 | 4.98 | 5.90 |
| Clothing Industries | 42 | | 0.37 | | 57 | | 0.36 | |
| Textile Industries: Cotton | 456 | | 3.94 | | 582 | | 3.69 | |
| Wool | 129 | | 1.11 | | 210 | | 1.33 | |
| Rayon | 212 | | 1.83 | | 296 | | 1,87 | |
| Misc. | 185 | 1,024 | 1.59 | 8.84 | 187 | 1,332 | 1.51 | 8.76 |
| Paper Industry | 383 | | 3.31 | | 536 | | 3.39 | |
| Printing Industry | 26 | 409 | 0.23 | 3.54 | 33 | 569 | 0.21 | 3.60 |
| Ceramic and Glass Industry | 52 | | 0.45 | | 100 | | 0.63 | |
| Building Industry | 343 | | 2.96 | | 555 | | 3.51 | |
| Woodworking Industry | 73 | 468 | 0.63 | 4.04 | 102 | 757 | 0.65 | 4.79 |
| Chemical Industry | 474 | 474 | 4.09 | 4.09 | 692 | 692 | 4.38 | 4.38 |
| Mining and Quarrying | 140 | 140 | 1.20 | 1.20 | 254 | 254 | 1.61 | 1.61 |
| Metallurgical Industries | 572 | 572 | 4.93 | 4.93 | 711 | 711 | 4.50 | 4.50 |
| Mechanical & Allied Ind. | 749 | 749 | 6.46 | 6.46 | 982 | 982 | 6.21 | 6.21 |
| Electro-chemical Industry | 3624 | | 31.28 | | 5,136 | | 32.50 | |
| Electro-metallurgical Ind. | | | | | | | | |
| Heating & Industrial | 560 | 4,184 | 4.83 | 36.11 | 597 | 5,733 | 3.78 | 36.28 |
| Miscellaneous Industries | 153 | 153 | 1.32 | 1.32 | 147 | 147 | 0.93 | 0.93 |
| Services | 255 | 255 | 2.20 | 2.20 | 366 | 366 | 2.32 | 2.32 |

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| | 1936 | | | | 1939 | | | |
|---|---|---|---|---|---|---|---|---|
| | Hundred Thousand KWH | | % | % | Hundred Thousand KWH | | % | % |
| Domestic Lighting | 626 | | 5.40 | | 749 | | 4.74 | |
| Public Lighting | 272 | | 2.35 | | 311 | | 1.97 | |
| Domestic & Public Appliances | 300 | 1,198 | 2.59 | 10.34 | 438 | 1,498 | 2.77 | 9.48 |
| Agriculture | 134 | | 1.15 | | 145 | | 0.92 | |
| Food | 656 | 790 | 5.66 | 6.81 | 788 | 933 | 4.98 | 5.90 |
| Clothing Industries | 42 | | 0.37 | | 57 | | 0.36 | |
| Textile Industries: Cotton | 456 | | 3.94 | | 582 | | 3.69 | |
| Wool | 129 | | 1.11 | | 210 | | 1.33 | |
| Rayon | 212 | | 1.83 | | 296 | | 1.87 | |
| Misc. | 185 | 1,024 | 1.59 | 8.84 | 187 | 1,332 | 1.51 | 8.76 |
| Paper Industry | 383 | | 3.31 | | 536 | | 3.39 | |
| Printing Industry | 26 | 409 | 0.23 | 3.54 | 33 | 569 | 0.21 | 3.60 |
| Ceramic and Glass Industry | 52 | | 0.45 | | 100 | | 0.63 | |
| Building Industry | 343 | | 2.96 | | 555 | | 3.51 | |
| Woodworking Industry | 73 | 468 | 0.63 | 4.04 | 102 | 757 | 0.65 | 4.79 |
| Chemical Industry | 474 | 474 | 4.09 | 4.09 | 692 | 692 | 4.38 | 4.38 |
| Mining and Quarrying | 140 | 140 | 1.20 | 1.20 | 254 | 254 | 1.61 | 1.61 |
| Metallurgical Industries | 572 | 572 | 4.93 | 4.93 | 711 | 711 | 4.50 | 4.50 |
| Mechanical & Allied Ind. | 749 | 749 | 6.46 | 6.46 | 982 | 982 | 6.21 | 6.21 |
| Electro-chemical Industry | 3624 | | 31.28 | | 5,136 | | 32.50 | |
| Electro-metallurgical Ind. | | | | | | | | |
| Heating Industrial | 560 | 4,184 | 4.83 | 36.11 | 597 | 5,733 | 3.78 | 36.28 |
| Miscellaneous Industries | 153 | 153 | 1.32 | 1.32 | 147 | 147 | 0.93 | 0.93 |
| Services | 255 | 255 | 2.20 | 2.20 | 366 | 366 | 2.32 | 2.32 |
| Traction | 1,172 | 1,172 | 10.12 | 10.12 | 1,777 | 1,777 | 11.24 | 11.24 |
| Total | 11,588 | 11,588 | 100.00 | 100.00 | 15,751 | 15,751 | 100.00 | 100.00 |

Source: Adapted from Annuario Statistico, 1939-1941.

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TABLE 53

## Revised Industrial Requirements for 1946
## UNRRA Program (as in April 1946)

| Code No. | ITEM | Quantity tons | Estimated cost Thousand $ |
|---|---|---|---|
| 1-00 | Transport & Telecommunications | — | 2,533 |
| 2-00 | Public Utilities | — | — |
| 3.00 | Building Industry | — | 245 |
| 4-00 | Mining & Quarrying | — | — |
| 5-00 | Machine Repair Industry | — | — |
| 6-00 | Processing Industry | — | — |
| 7-10 | Solid Fuels | 5,676,692 | 40,775 |
| 7-20-30 | Liquid Fuels and Lubricants | — | 35,745 |
| 7-40 | Asphalt | 75,000 | 2,675 |
| 8-00 | Misc. Consumer Goods | — | 50 |
| 9.01 | Pig Iron : | | |
| | A — Refined Grade | 65,000 | |
| | B — Foundry Grade | 50,000 | |
| | C — Hematite Grade | 25,000 | |
| | Total Pig Iron | 140,000 | 4,201.27 |
| 9.01-1 | Semi-finised Steel : | | |
| | A — Sheet Bars | 30,000 | |
| | B — Slabs | 18,000 | |
| | C — Blooms | 7,600 | |
| | D — Square Billets | 50,400 | |
| | Total Semi-finished Steel | 106,000 | 5,300 |
| 9-01-2 | Finished Steel : | | |
| | A — Smooth plates | 16,500 | |
| | B — Boiler Plates | 600 | |
| | C — Fire Box Plate | 120 | |
| | D — Corrugated Plate | 900 | |
| | E — Round Rivet Bars | 1,250 | |
| | F — Round Bars | 225 | |
| | G — Square Bars | 175 | |
| | H — Rectangular Bars | 200 | |
| | I — Equal Angles | 2,250 | |
| | J — Unequal Angles | 5,000 | |
| | K — Channels | 500 | |
| | Total Finished Steel | 27,720 | 1,859.576 |
| 9-02 | Mineral : | | |
| | A — Manganese Ore | 10,000 | |
| | B — Wolframite | 100 | |
| | C — Molybdenite | 330 | |
| | D — Chromite | 2,000 | |
| | Total Minerals | 12,430 | 860 |
| 9-021 | Metals & Alloying Elements : | | |
| | A — Chromium | 10 | |
| | B — Cobalt | 10 | |

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| Code No. | ITEM | Quantity tons | Estimated cost Thousand $ |
|---|---|---|---|
| 1–00 | Transport & Telecommunications . . . . . | — | 2,533 |
| 2–00 | Public Utilities . . . . . | — | — |
| 3.00 | Building Industry . . . . . | — | 245 |
| 4–00 | Mining & Quarrying . . . . . | — | — |
| 5–00 | Machine Repair Industry . . . . . | — | — |
| 6–00 | Processing Industry . . . . . | — | — |
| 7–10 | Solid Fuels. . . . . | 5,676,692 | 40,775 |
| 7–20–30 | Liquid Fuels and Lubricants . . . . . | — | 35.745 |
| 7–10 | Asphalt . . . . . | 75,000 | 2,675 |
| 8–00 | Misc. Consumer Goods . . . . . | — | 50 |
| 9.01 | Pig Iron : | | |
| | A — Refined Grade . . . . . | 65,000 | |
| | B — Foundry Grade . . . . . | 50,000 | |
| | C — Hematite Grade . . . . . | 25,000 | |
| | Total Pig Iron | 140,000 | 4,201.27 |
| 9.01–1 | Semi-finised Steel : | | |
| | A — Sheet Bars . . . . . | 30,000 | |
| | B — Slabs . . . . . | 18,000 | |
| | C — Blooms . . . . . | 7,600 | |
| | D — Square Billets. . . . . | 50,400 | |
| | Total Semi-finished Steel | 106,000 | 5,300 |
| 9–01–2 | Finished Steel : | | |
| | A — Smooth plates . . . . . | 16,500 | |
| | B — Boiler Plates . . . . . | 600 | |
| | C — Fire Box Plate . . . . . | 120 | |
| | D — Corrugated Plate . . . . . | 900 | |
| | E — Round Rivet Bars . . . . . | 1,250 | |
| | F — Round Bars . . . . . | 225 | |
| | G — Square Bars . . . . . | 175 | |
| | H — Rectangular Bars . . . . . | 200 | |
| | I — Equal Angles . . . . . | 2,250 | |
| | J — Unequal Angles . . . . . | 5,000 | |
| | K — Channels . . . . . | 500 | |
| | Total Finished Steel | 27,720 | 1,859.576 |
| 9–02 | Mineral : | | |
| | A — Manganese Ore . . . . . | 10,000 | |
| | B — Wolframite . . . . . | 100 | |
| | C — Molybdenite . . . . . | 330 | |
| | D — Chromite . . . . . | 2,000 | |
| | Total Minerals | 12,430 | 860 |
| 9–021 | Metals & Alloying Elements : | | |
| | A — Chromium . . . . . | 10 | |
| | B — Cobalt . . . . . | 10 | |
| | C — Ferro-Tungsten . . . . . | 40 | |
| | D — Graphite for Steel : . . . . . | 80 | |
| | Total Metals & Alloying Elements | 140 | 171 |
| 9–03 | Tin : | | |
| | A — Pure Tin . . . . . | 1,700 | |
| | Total Tin | 1,700 | 2,247 |

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TABLE 53 (continued)

| Code No. | ITEM | Quantity tons | Estimated cost Thousand $ |
|---|---|---|---|
| 9–04 | Copper: | | |
| | A — Electrolytic Wire Bar | 11,486 | |
| | B — Fire Refined | 5,500 | |
| | Total Copper | 16,986 | 4,946 |
| 9–05 | Nickel: | | |
| | A — Electrolytic Nickel | 1,500 | |
| | Total Nickel | 1,500 | 1,398 |
| 9–07 | Chemicals for Rubber: | | |
| | A — Plastifying Pine Tar | 960 | |
| | B — Plastified Paraflux | 40 | |
| | C — Plastifying Cumar Resins | 132 | |
| | D — Resorcinol | 24 | |
| | E — Santocure | 13 | |
| | Total Chemicals for Rubber | 1,169 | 300 |
| 9–072 | Coal Tar Chemicals: | | |
| | a) Benzol : 1) Nitration Grade | 500 | 81.137 |
| | 2) Industrial | 2,500 | 375.500 |
| | b) Toluol : 1) Nitration Grade | 1,270 | 186.617 |
| | 2) Industrial | — | — |
| | c) Xylol : 1) Nitration Grade | 240 | 41.8 |
| | 2) Industrial | 390 | 58.7 |
| | d) Naphthalene : 1) Purified | 500 | 71.5 |
| | 2) Industrial | 500 | 82.5 |
| | e) Cresol (40 % of metacresol) | 500 | 125.0 |
| | f) Cresylic Acid | 106 | 22.0 |
| | g) Solvent Naphtha | — | — |
| | h) Coke Oven Light Oil | — | — |
| | i) Carbolic Oil | 6,000 | 250.0 |
| | Total Coal Tar Chemicals | 12,500 | 1,294.554 |
| 9–073 | Intermediate Dyestuff: | | |
| | a) Benzoic Acid | 50 | 70 |
| | Total Intermediate Dyestuff | 50 | 70 |
| 9–074 | Raw Materials for Paint, Varnish, Ink Enamel and Synthetic Resins: | | |
| | a) Copal Resin | 100 | 21 |
| | b) Manila Resin | 100 | 27 |
| | c) Shellac | 100 | 80 |
| | d) Glycerine | 1,000 | 440 |
| | e) Turpentine | 1,000 | 335 |
| | f) Cotton Linters | 1,000 | 220 |
| | g) Ilmenite | 2,000 | 54 |
| | h) Potassium Ferro-Cyanide | 100 | 13 |
| | i) Wood Flour | — | — |
| | l) Ethylene Glycol | 100 | 25 |
| | Total Raw Materials for Paint, etc. | 5,500 | 1,215 |

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| | | | | |
|---|---|---|---|---|
| 9-07 | Copper: | | | |
| | A — Electrolytic Wire Bar | | 11,486 | |
| | B — Fire Refined | | 5,500 | |
| | | Total Copper | 16,986 | 4,946 |
| 9-05 | Nickel: | | | |
| | A — Electrolytic Nickel | | 1,500 | |
| | | Total Nickel | 1,500 | 1,396 |
| 9-07 | Chemicals for Rubber: | | | |
| | A — Plastifying Pine Tar | | 960 | |
| | B — Plastified Paraflux | | 40 | |
| | C — Plastifying Cumar Resins | | 132 | |
| | D — Resorcinol | | 24 | |
| | E — Santocure | | 13 | |
| | | Total Chemicals for Rubber | 1,169 | 300 |
| 9-072 | Coal Tar Chemicals: | | | |
| | a) Benzol : 1) Nitration Grade | | 500 | 81.137 |
| | 2) Industrial | | 2,500 | 375.500 |
| | b) Toluol : 1) Nitration Grade | | 1,270 | 186.617 |
| | 2) Industrial | | — | — |
| | c) Xylol : 1) Nitration Grade | | 240 | 41.6 |
| | 2) Industrial | | 390 | 58.7 |
| | d) Naphthalene : 1) Purified | | 500 | 71.5 |
| | 2) Industrial | | 500 | 82.5 |
| | e) Cresol (40 % of metacresol) | | 500 | 125.0 |
| | f) Cresylic Acid | | 100 | 22.0 |
| | g) Solvent Naphtha | | — | — |
| | h) Coke Oven Light Oil | | — | — |
| | i) Carbolic Oil | | 6,000 | 250.0 |
| | | Total Coal Tar Chemicals | 12,500 | 1,294.554 |
| 9-073 | Intermediate Dyestuff: | | | |
| | a) Benzoic Acid | | 50 | 70 |
| | | Total Intermediate Dyestuff | 50 | 70 |
| 9-074 | Raw Materials for Paint, Varnish, Ink Enamel and Synthetic Resins: | | | |
| | a) Copal Resin | | 100 | 21 |
| | b) Manila Resin | | 100 | 27 |
| | c) Shellac | | 100 | 80 |
| | d) Glycerine | | 1,000 | 440 |
| | e) Turpentine | | 1,000 | 335 |
| | f) Cotton Linters | | 1,000 | 220 |
| | g) Ilmenite | | 2,000 | 54 |
| | h) Potassium Ferro-Cyanide | | 100 | 13 |
| | i) Wood Flour | | — | — |
| | l) Ethylene Glycol | | 100 | 25 |
| | | Total Raw Materials for Paint, etc. | 5,500 | 1,215 |
| 9-075 | a) Petroleum Coke: special calcined | | 3,800 | 83.6 |
| | calcined | | 4,400 | 97 |
| | b) Special Antracite for Electrodes | | 12,000 | 144 |
| | c) Graphite | | 1,000 | 114 |
| | d) Coal Tar Pitch | | 900 | 14 |
| | | Total Raw Materials for Carbon Electrodes | 22,100 | 452.6 |

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TABLE 53 (continued

| Code No. | ITEM | Quantity tons | Estimated cost Thousand $ |
|---|---|---|---|
| 9-076 | Industrial Wax : | | |
| | a) Stearic Acid . . . . . | 500 | 400 |
| | Total Industrial Wax | 500 | 400 |
| 9-077 | Sundry Products : | | |
| | a) Acetone . . . . . | 400 | 55 |
| | b) Phosphate Rock . . . . . | 3,500 | 21 |
| | c) Potassium Chloride . . . . . | — | — |
| | d) Aluminium Fluoride . . . . . | — | — |
| | e) Pyrolusite . . . . . | 400 | 20 |
| | f) Denaturated Ethyl Alcohol. . . . . | 880 | 141 |
| | g) Butyl Alcohol . . . . . | 500 | 133 |
| | h) Potato Starch . . . . . | 2,500 | 250 |
| | i) Industrial Maize . . . . . | 3,000 | 210 |
| | Total Sundry Products | 11,180 | 830 |
| 9-078 | Colophony : | | |
| | a) Rosin . . . . . | 10,280 | 1,689 |
| | Total Colophony | 10,280 | 1,689 |
| 9-08 | Rubber : | | |
| | A — Synthetic Rubber . . . . . | 9,823 | |
| | B — Natural Rubber . . . . . | 9,822 | |
| | C — Hycar OR 15, or Perbunan, or Neoprene type E . | 128 | |
| | D — Latex . . . . . | 360 | |
| | E — Jatax . . . . . | — | |
| | Total Rubber | 20,133 | 11,673 |
| 9-08-1 | Carbon Black : | | |
| | A — Channel Black . . . . . | 3,600 | |
| | B — Furnace Black . . . . . | 3,600 | |
| | C — P 33 Black . . . . . | 220 | |
| | D — Lamp Black . . . . . | 480 | |
| | Total Carbon Black | 7,900 | 950 |
| 9-09 | Cellulose and Lumber : | | |
| | A — Cellulose . . . . . | — | |
| | B — Lumber . . . . . | 33,200 | |
| | Total Cellulose & Lumber | 33,200 | 2,500 |
| 9-90 | Asbestos : | | |
| | A — Canadian Asbestos . . . . . | 600 | |
| | B — Rhodesian „ . . . . . | 5,400 | |
| | Total Asbestos | 6,000 | 600 |
| 9-90-1 | Refractories : | | 5005 |
| | A — Magnesite Fire-bricks . . . . . | 4,500 | |
| | Total Refractories | 4,500 | 621 |
| 90-9-2 | Clays : | | |
| | A — Fire Clay . . . . . | 30,000 | |
| | B — Kaolin . . . . . | 10,000 | |

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| | | | |
|---|---|---|---|
| | Total Industrial Wax | 500 | 400 |
| 9-077 | Sundry Products: | | |
| | a) Acetone | 400 | 55 |
| | b) Phosphate Rock | 3,500 | 21 |
| | c) Potassium Chloride | — | — |
| | d) Aluminium Fluoride | — | — |
| | e) Pyrolusite | 400 | 20 |
| | f) Denaturated Ethyl Alcohol | 880 | 141 |
| | g) Butyl Alcohol | 500 | 133 |
| | h) Potato Starch | 2,500 | 250 |
| | i) Industrial Maize | 3,000 | 210 |
| | Total Sundry Products | 11,180 | 830 |
| 9-078 | Colophony: | | |
| | a) Rosin | 10,280 | 1,689 |
| | Total Colophony | 10,280 | 1,689 |
| 9-08 | Rubber: | | |
| | A — Synthetic Rubber | 9,823 | |
| | B — Natural Rubber | 9,822 | |
| | C — Hycar OR 15, or Perbunan, or Neoprene type E | 128 | |
| | D — Latex | 360 | |
| | E — Jatax | — | |
| | Total Rubber | 20,133 | 11,673 |
| 9-08-1 | Carbon Black: | | |
| | A — Channel Black | 3,600 | |
| | B — Furnace Black | 3,600 | |
| | C — P 33 Black | 220 | |
| | D — Lamp Black | 480 | |
| | Total Carbon Black | 7,900 | 950 |
| 9-09 | Cellulose and Lumber: | | |
| | A — Cellulose | — | |
| | B — Lumber | 33,200 | |
| | Total Cellulose & Lumber | 33,200 | 2,500 |
| 9-90 | Asbestos: | | |
| | A — Canadian Asbestos | 600 | |
| | B — Rhodesian " | 5,400 | |
| | Total Asbestos | 6,000 | 600 |
| 9-90-1 | Refractories: | | |
| | A — Magnesite Fire-bricks | 4,500 | 5005 |
| | Total Refractories | 4,500 | 621 |
| 90-9-2 | Clays: | | |
| | A — Fire Clay | 30,000 | |
| | B — Kaolin | 10,000 | |
| | C — Plastic | 5,000 | |
| | Total Clays | 45,000 | 1,006 |
| | Industrial Rehab. Service | | 100 |
| | | | 100 |
| | Surplus Procurement | | 750 |
| | GRAND TOTAL | | 127,455.000 |

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TABLE 54

## Italian Self-Sufficiency in Minerals, 1940

| Mineral | Principal Producing Countries | Main source supply to Italy | % of requirements imported | % of requirements (1940) produced locally |
|---|---|---|---|---|
| Antimony | China, Mexico, Bolivia | Yugoslavia | 38.6 | 61.4 |
| Asbestos | Russia, Canada, South Africa, Rhodesia, Portuguese Africa | Union of South Africa, Canada, United States, Germany | 42.67 | 57.33 |
| Kaolin | Great Britain, Russia, Czeroslovakia, Germany | Germany, United Kingdom | 43.30 | 56.70 |
| Chromite | Greece, Rhodesia, Portuguese Africa, New Caledonia, Turkey, Russia, Cuba, India, Yugoslavia | Greece, Rhodesia, Portuguese Africa, New Caledonia, Turkey, Russia, Cuba, India, Yugoslavia | 100.0 | 0 |
| Iron ore | Spain, Greece, Portugal, Cyprus, Algeria, Sweden, British African Colonies | Yugoslavia, Spain, Morocco | 17.67 | 82.33 |
| Phosphate Rock | Algeria, Tunisia, Morocco, Egypt, Russia, United States | Algeria, Tunisia, Morocco, Egypt, Russia, United States | 100 | 0 |
| Magnesite | Austria, Greece, Czechoslovakia, Russia, Manchuria, Yugoslavia | Austria, Greece | 34.08 | 65.92 |
| Mica | India, Canada, Madagascar, Eritrea, Transvaal (Union of South Africa), Norway | Switzerland, British India, Italian Africa | 85.17 | 14.83 |
| Manganese ore | Russia, Rumania, Brazil, India, Gold Coast, Cuba, Palestine, Algeria | France, Russia, British India, British East Africa, Dutch Indies | 24.32 | 75.67 |
| Nitrate | Chile | Chile | 100 | 0 |
| Lead | Australian Federation, Turkey, Greece, Yugoslavia | — | 5.37 (1939) | 94.63 |
| Copper | United States, Chile, Portuguese Africa, Rhodesia, Belgian Congo, Japan, British India, Canada, Mexico, Peru, Germany, Russia, Yugoslavia, Norway | Belgium, Luxemburg, British India, Belgian Congo, Straits Settlements | 80.13 | 19.87 |
| Tin | Malacca, Bolivia, Dutch Indies, Siam, China, Australia, Belgian Congo, British India, Nigeria, U. K., Mexico, Japan, Indo-China | Belgium, Luxemburg, British India, Straits Settlements, Belgian Congo | 80.13 | 19.87 |
| Raw Refractories | France, Germany, Great Britain, Czechoslovakia, Austria, Belgium, Luxemburg | Germany, Czechoslovakia | 18.65 | 81.35 |
| Titanium | Australia, Canada, India, Norway, Portugal, Senegalia, United States, | Australia, Canada, India, Norway, Portugal, Senegalia, United States, Brazil | 100 | 0 |

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| Mineral | Principal Producing Countries | Main source supply to Italy | % of requirements imported | % of requirements (1940) produced locally |
|---|---|---|---|---|
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| Asbestos | Russia, Canada, South Africa, Rhodesia, Portuguese Africa | Union of South Africa, Canada, United States, Germany | 42.67 | 57.33 |
| Kaolin | Great Britain, Russia, Czechoslovakia, Germany | Germany, United Kingdom | 43.30 | 56.70 |
| Chromite | Greece, Rhodesia, Portuguese Africa, New Caledonia, Turkey, Russia, Cuba, India, Yugoslavia | Greece, Rhodesia, Portuguese Africa, New Caledonia, Turkey, Russia, Cuba, India, Yugoslavia | 100.0 | 0 |
| Iron ore | Spain, Greece, Portugal, Cyprus, Algeria, Sweden, British African Colonies | Yugoslavia, Spain, Morocco | 17.67 | 82.33 |
| Phosphate Rock | Algeria, Tunisia, Morocco, Egypt, Russia, United States | Algeria, Tunisia, Morocco, Egypt, Russia, United States | 100 | 0 |
| Magnesite | Austria, Greece, Czechoslovakia, Russia, Manchuria, Yugoslavia | Austria, Greece | 34.08 | 65.92 |
| Mica | India, Canada, Madagascar, Eritrea, Transvaal (Union of South Africa), Norway | Switzerland, British India, Italian Africa | 85.17 | 14.83 |
| Manganese ore | Russia, Rumania, Brazil, India, Gold Coast, Cuba, Palestine, Algeria | France, Russia, British India, British East Africa, Dutch Indies | 24.32 | 75.67 |
| Nitrate | Chile | Chile | 100 | 0 |
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| Copper | United States, Chile, Portuguese Africa, Rhodesia, Belgian Congo, Japan, British India, Canada, Mexico, Peru, Germany, Russia, Yugoslavia, Norway | Belgium, Luxemburg, British India, Belgian Congo, Straits Settlements | 80.13 | 19.87 |
| Tin | Malacca, Bolivia, Dutch Indies, Siam, China, Australia, Belgian Congo, British India, Nigeria, U. K., Mexico, Japan, Indo-China | Belgium, Luxemburg, British India, Straits Settlements, Belgian Congo | 80.13 | 19.87 |
| Raw Re[illegible]tories | France, Germany, Great Britain, Czechoslovakia, Austria, Belgium, Luxemburg | Germany, Czechoslovakia | 18.65 | 81.35 |
| Titanium | Australia, Canada, India, Norway, Portugal, Senegalia, United States, Brazil | Australia, Canada, India, Norway, Portugal, Senegalia, United States, Brazil | 100 | 0 |
| Tungsten | China, India, Malay | China, India, Malay | 98.47 | 1.53 |
| Sulphur | | | 0 | 100 |
| Mercury | | | 0 | 100 |
| Zinc | | | 0 | 100 |

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## Textual revisions of paragraphs in Supplements which have already appeared

### LIRE RESOURCES AVAILABLE TO UNRRA

*Substitute the following for paragraphs 61-70 in the Finance Section of the Supplement to "Economic Notes" Vol. I, No. 27, 19 July, 1946:*

61. The first agreement between UNRRA and the Italian Government dated 8 March, 1945 covered a limited assistance program for Italy and provided for the expenditure of 50 million dollars in foreign exchange.

62. The financial clauses of the agreement laid down that the Government would match UNRRA's expenses in foreign exchange, with the lira equivalent of such expenses. The rate of exchange to be used was that ruling at the time the foreign exchange expenses were incurred. Provision was also made for the expenditure of part of the lire thus made available on assisting displaced persons of other countries and on purchasing local surpluses for the relief and rehabilitation of other areas.

63. The best estimate of Italy's liability under this agreement was therefore 5,000 million lire and this amount was set up in the State budget for 1945-46.

64. The second agreement between UNRRA and the Italian Government covered a more extensive relief and rehabilitation program to meet "the most urgent needs of Italy." Though this agreement did not stipulate an amount of foreign exchange to be expended by UNRRA it was generally thought that about 450 million dollars would be put up to cover procurement, freights, general expenses etc. This agreement did not supersede the first agreement but was supplementary to it.

65. The financial clauses provided for the setting up of a special "Proceeds of Sale" account by the Government. The net proceeds of sales of UNRRA supplies are paid into this account and made available to

66. The machinery set up by the Italian Government to implement the financial clauses of the agreement is as follows:—

(a) About 25 agencies are charged with the collection of the proceeds of sale of the various commodities imported. These agencies in turn are accountable to the Istituto Commercio Estero (I.C.E. - Foreign Trade Institute).

(b) Before the imported commodities are sold prices are agreed by a joint UNRRA-Italian Government Price Committee.

(c) I.C.E., after deduction of distribution costs, also agreed with UNRRA, then deposits the money into a special "Proceeds of Sale" account designated by the Treasury.

67. Uncertain factors consisting mainly of distribution costs and price policy, make it impossible to estimate with any accuracy the total sum which will be available under this agreement. However 60 thousand million lire is the best approximation at present possible.

68. Naturally owing to the complexity of the distribution and collection problem there is a considerable time lag between the actual distribution of commodities and the settlement of accounts and in reconciling the Proceeds of Sale account with the accounts of the various agencies entrusted with handling UNRRA supplies. However representatives of UNRRA and the Italian Government on a Lira Fund Control Committee keep this matter under continuous review and the following table shows the funds which had actually been made available by 30 June, 1946. The amounts shown do not, of course, cover all supplies which had been distributed up to 30 June 1946.

69. Disbursements from the Lire funds thus made avail-

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63. The best estimate of Italy's liability under this agreement was therefore 5,000 million lire and this amount was set up in the State budget for 1915-46.

64. The second agreement between UNRRA and the Italian Government covered a more extensive relief and rehabilitation program to meet "the most urgent needs of Italy." Though this agreement did not stipulate an amount of foreign exchange to be expended by UNRRA it was generally thought that about 450 million dollars would be put up to cover procurement, freights, general expenses etc. This agreement did not supersede the first agreement but was supplementary to it.

65. The financial clauses provided for the setting up of a special "Proceeds of Sale" account by the Government. The net proceeds of sales of UNRRA supplies are paid into this account and made available to cover relief and rehabilitation projects duly agreed between UNRRA and the Italian Government and the expenses of UNRRA in Italy. The time limit set for the determination of these relief and rehabilitation projects was three years or such longer period as may be agreed by UNRRA or by such successors as UNRRA may designate.

66. The machinery set up by the Italian Government to implement the financial clauses of the agreement is as follows:—

(a) About 25 agencies are charged with the collection of the proceeds of sale of the various commodities imported. These agencies in turn are accountable to the Istituto Commercio Estero (I.C.E. - Foreign Trade Institute).

(b) Before the imported commodities are sold prices are agreed by a joint UNRRA-Italian Government Price Committee.

(c) I.C.E., after deduction of distribution costs, also agreed with UNRRA, then deposits the money into a special "Proceeds of Sale" account designated by the Treasury.

67. Uncertain factors consisting mainly of distribution costs and price policy, make it impossible to estimate with any accuracy the total sum which will be available under this agreement. However 60 thousand million lire is the best approximation at present possible.

68. Naturally owing to the complexity of the distribution and collection problem there is a considerable time lag between the actual distribution of commodities and the settlement of accounts and in reconciling the Proceeds of Sale account with the accounts of the various agencies entrusted with handling UNRRA supplies. However representatives of UNRRA and the Italian Government on a Lira Fund Control Committee keep this matter under continuous review and the following table shows the funds which had actually been made available by 30 June, 1946. The amounts shown do not, of course, cover all supplies which had been distributed up to 30 June 1946.

69. Disbursements from the Lire funds thus made available are authorised jointly by the Chief of the UNRRA Mission and the President of the Italian Government Delegation for relations with UNRRA. Lire to cover the innumerable recurring operating expenses of the Mission are transferred to the UNRRA banking account. Among such expenses, in addition to normal administrative expenses, are those connected with non-

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## Consolidated Lira Fund as known at 30 June 1946

| | Lire | Lire | Lire |
|---|---|---|---|
| 1. Lire resources available under agreement between Italian Government and UNRRA dated 8 March, 1945. | | | |
| (a) Provision in the State budget 1945-46 to match with lire the $50,000,000 to be spent by UNRRA | | | 5,000,000,000 |
| 2. Lire resources available under agreement between Italian Government and UNRRA dated 19 January 1946. | | | |
| Proceeds of sales: | | | |
| (a) Cereals and cereal products | 1,261,611,492 | | |
| *Less*: Amount reserved to cover distribution cost pending settlement | 375,655,267 | 885,956,225 | |
| (b) Codfish (1) | | 64,043,775 | |
| (c) Seed potatoes | 321,182,875 | | |
| *Less* Distribution costs | 118,590,600 | 202,592,275 | |
| (d) Coal - on account | | 5,000,000,000 | |
| (e) Petrol, oil and lubricants on account pending settlement of distribution and other charges | | 750,000,000 | 6,902,592,275 |
| 3. Total lire resources made available up to 30 June 1946 | | | 11,902,592,275 |

(1) Codfish distribution costs are included with the distribution costs of cereals.

Italian displaced persons who would become a charge on the Italian State, were they not cared for and returned to their homes by UNRRA. In addition the Lira Fund Control Committee, referred to in para. 68, examines and recommends certain specific projects which, after being approved by the Chief of the UNRRA Mission and the President of the Italian Delegation, are financed direct from these lira funds. To deal shortly with these:—

(b) At the commencement of the UNRRA operation in Italy it was found that there was a chronic shortage of hospital and baby linen. To meet this crisis and give employment to Italian mills, 2,000 tons of raw cotton was imported and approximately 457 million lire were allotted to have this processed into the required hospital and baby linen.

(c) Since the scourge of malaria was lowering the

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| | | | |
|---|---|---|---|
| 1. Lire resources available under agreement between Italian Government and UNRRA dated 8 March, 1945. | | | |
| (a) Provision in the State budget 1945-46 to match with lire the $50,000,000 to be spent by UNRRA | | | 5,000,000,000 |
| 2. Lire resources available under agreement between Italian Government and UNRRA dated 19 January 1946. | | | |
| Proceeds of sales: | | | |
| (a) Cereals and cereal products | 1,261,611,492 | | |
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Italian displaced persons who would become a charge on the Italian State, were they not cared for and returned to their homes by UNRRA. In addition the Lira Fund Control Committee, referred to in para. 68, examines and recommends certain specific projects which, after being approved by the Chief of the UNRRA Mission and the President of the Italian Delegation, are financed direct from these lira funds. To deal shortly with these:—

(a) UNRRA is assisting in the Italian Government rehousing program through the agency known as C.A.S.A.S. 5 million dollars have been set aside to meet foreign exchange expenses in connection with the program and over 1,000 million lire have been committed as an additional contribution.

(b) At the commencement of the UNRRA operation in Italy it was found that there was a chronic shortage of hospital and baby linen. To meet this crisis and give employment to Italian mills, 2,000 tons of raw cotton was imported and approximately 457 million lire were allotted to have this processed into the required hospital and baby linen.

(c) Since the scourge of malaria was lowering the effectiveness of the people of Sardinia both in the mining and agricultural spheres, UNRRA in co-operation with the Italian Government and the Rockefeller Foundation has embarked on a malaria eradication program covering the whole of that island. (Expenses connected with UNRRA anti-malaria projects in the agricultural

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areas of Italy and Sicily are not treated as special projects but as part of normal epidemic control operations.)

(d) Early in the UNRRA operation it was realized that, with the exorbitant cost of shoes and clothing, the poorer people would need free assistance if they were to be clad at all. Thanks to the magnificent American clothing drive in 1945, UNRRA was supplied with second hand clothing and shoes. All these articles had to be sorted, many had to be repaired and made wearable, and approximately 113 million lire were allotted to cover the cost of this work which was carried out by Italians who might well have been unemployed in other circumstances.

(e) As the sowing season for seed potatoes approached, UNRRA imported 10,000 tons of these urgently needed seeds and, in agreement with the Italian Government, reduced the price of all seed potatoes to a more economic level from the farmers' point of view. So that the Government would not suffer loss on the imported seed potatoes, a price equalisation subsidy of approximately 112 million lire was allotted from UNRRA lira resources.

(f) UNRRA affiliated workers of the Congregational Service League in the Naples area reported the disturbing conditions under which some 500 people had been reduced to living in caves and a scheme for rehousing them was worked out. An allotment of between 5 and 6 million lire was made to cover the expenses of this project.

(g) I.C.E. found that in handling UNRRA goods which are supplied to the Italian Government free, and are therefore not covered by bills of exchange as in normal commercial practice, they were short of working funds so an advance of 50 million lire was approved to meet this difficulty.

70. Since little over a third of the lira funds presently available has been committed, a number of other projects are being considered by the Lira Fund Control Committee referred to in para. 68. Recommendations made by this Committee are, of course, subject to the approval of the Chief of the UNRRA Mission and the President of the Italian Delegation.

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